The grant of a patent is predicated upon an invention's novelty. Inventors forfeit their right to a patent if "the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States." 35 U.S.C. § 102(b).

In 35 U.S.C. § 120, Congress provides what amounts to a safe harbor from the Section 102(b) bar against the issuance of a patent for a previously disclosed invention, if that technology was the subject of another patent application naming the same inventor and pre-dating the disclosure. Thus, while an application is pending, an inventor may submit a later application, such as a continuation or divisional application,[1] either of which may obtain "priority" to the filing date of the earlier application for the invention claimed. This means that the claims in the later-filed continuation or divisional application "shall have the same effect, as to such invention, as though filed on the date of the prior application." 35 U.S.C. § 120. In other words, even though an inventor may have disclosed the invention to the public (through patent, printed publication or public use) more than one year prior to the date of the later-filed application, a patent may still issue on the later application if the inventor can trace the current application to an earlier-filed application with a priority date that satisfies Section 102(b), viz., a filing date no later than one year following the public disclosure of the invention.

Claiming priority based upon an earlier-filed application is not without consequence. By properly claiming priority to an earlier-filed application, the length of the term of the patent that results from the later-filed application might be shortened. That is because a patent

[1] A "continuation application" pursues additional claims to an invention disclosed in an earlier application that has not yet been abandoned or matured into a patent. A "divisional application" claims a distinct or independent invention carved out of an earlier application.

term ends either 20 years from "the date on which the application for the patent was filed" or, "if the application contains a specific reference to an earlier filed application or applications under section 120 * * *, from the date on which the earliest *such* application was filed." 35 U.S.C. § 154(a)(2) (emphasis supplied).

Under Section 120, in order for a patent application to claim the priority of an earlier application, the later-filed application must "contain a specific reference to the earlier filed application." 35 U.S.C. § 120. A later-filed application that fails to comply with this requirement cannot claim the benefit of the filing date of the earlier-filed application. Thus, while patents granted by the PTO "shall be presumed valid," 35 U.S.C. § 282, an alleged infringer may overcome this presumption in a suit alleging patent infringement and avoid liability by establishing that the patent is invalid, *ibid.*, including by proof that the invention was disclosed more than one year prior to the priority date of the earliest application "specific[ally] reference[d]" pursuant to Section 120.

b. The PTO, pursuant to its rulemaking authority codified at 35 U.S.C. § 2, promulgated more than 50 years ago, after notice and comment, a regulation, 37 C.F.R. § 1.78, that specifies the procedures that an inventor must follow to obtain the benefit of an earlier filing date under Section 120. Section 1.78 was first promulgated by the Patent Office (the predecessor to the PTO) in 1948 and has been subject only to minor revisions over the course of the intervening 58 years. 13 Fed. Reg. 9580 (Dec. 31, 1948). Under the PTO's current regulations, a patent application

> claiming the benefit of one or more prior-filed copending nonprovisional applications or international applications designating the United States of America must contain or be amended to contain a reference to each such prior-filed application, identifying it by application number (consisting of the series code and serial number) or international application

> number and international filing date and indicating the relationship of the applications.

37 C.F.R. § 1.78(a)(2)(i).

The reference to "each such prior-filed application" must be set forth either in the "specification," "in the first sentence(s) following the title" of the application (which subsequently becomes the first sentence of the patent's specification) or in "an application data sheet," 37 C.F.R. § 1.78(a)(2)(i), (iii), submission of which causes the PTO to print the reference on the patent cover page. 37 C.F.R. § 1.76(a) (application date sheet "is part of the provisional or nonprovisional application for which it is submitted"). Accordingly, the requirements of 37 C.F.R. § 1.78(a) provide notice to other inventors and the public, in the specification on the first page of the application (which becomes the specification in the issued patent), of the earliest application upon which an inventor seeks to base priority (and with respect to priority predicated on an international application, the international filing date).

The version of the regulation in effect during the dispute at issue here did not provide the inventor the option of an application data sheet, however, because the PTO had not yet created that data sheet. 37 C.F.R. § 1.78(a)(2) (1999). Pursuant to 37 C.F.R. § 1.78, however, a patent application has always been required to make specific reference to: (i) the earliest application for which the inventor seeks the benefit of priority, (ii) the relationship between applications, (iii) the application numbers, and (iv) with respect to international applications, the international filing date.

c. Because each country maintains a separate patent scheme, more than 125 countries, including the United States, have entered into the Patent Cooperation Treaty (PCT). The PCT reduces the burdens upon inventors by permitting them to seek patent protection in a large number of countries simultaneously, by filing a single international PCT application. Although an international PCT application protects an inventor's priority rights, it does not mature into a patent. Rather, an applicant must

still file an application in the national patent office (such as the PTO) where a patent is sought. 35 U.S.C. § 371(c).

As a signatory to this treaty, the United States has given effect to the international application process. To that end, "[a]n international [PCT] application designating the United States shall have the effect, from its international filing date * * * of a national application." 35 U.S.C. § 363. So long as an applicant complies with Section 120, "a national application shall be entitled to the benefit of the filing date of a prior international application designating the United States." 35 U.S.C. § 365; *accord* 35 U.S.C. § 120 (providing that a subsequent application "shall have the same effect * * * as though filed on the date of the prior application" "as provided by section 363" so long as it contains a "specific reference to the earlier filed application").

2. Factual And Procedural Background

a. Respondents' U.S. Patent No. 6,076,094 ('094 patent) claims interactive television technology to enable text, video, audio or web page data to be broadcast to television viewers. The '094 patent reflects technology disclosed in three earlier applications. Respondent IO Research Pty Ltd. is the owner of the '094 patent, and respondent Broadcast Innovation, L.L.C. has an exclusive license to the technology.

IO Research is an Australian enterprise. It filed its first patent application involving the subject technology on November 27, 1992 in Australia. Five additional Australian applications were filed within the next year, and all six applications collectively matured into a single Australian patent. On November 26, 1993, IO Research filed in Australia an international PCT application, No. PCT/AU93/00607, designating the United States. This technology was published, as respondents concede, on June 9, 1994. App., *infra*, 17a.

More than a year after that publication, on July 18, 1995, IO Research finally took steps to obtain a United

States patent. It filed with the PTO, pursuant to 35 U.S.C. § 371, a national stage application, U.S. Patent Application Ser. No. 08/436,336 ('336 application), based upon the earlier-filed international PCT application. The '336 application matured into U.S. Patent No. 5,737,595 ('595 patent).

Prior to the issuance of the '595 patent, a continuation application, U.S. Patent Application Ser. No. 09/054,896 ('896 application), was filed on April 3, 1998. This continuation application became U.S. Patent No. 5,999,934 ('934 patent).

Also, before the '896 application matured into the '934 patent, IO Research filed a divisional application, U.S. Patent Application Ser. No. 09/316,164 ('164 application), on May 21, 1999. That divisional application became the '094 patent at issue here.

In its application for the '094 patent, IO Research did not include a specific reference to *any* prior application. Nonetheless, in a transmittal letter (which is neither part of the application nor part of any subsequently issued patent), IO Research purported to claim priority under 35 U.S.C. § 120, to *all* its prior applications. In that letter, IO Research set forth in full the relationship of those earlier applications and identified the international application and its international filing date, stating that it was seeking the benefit of:

> U.S. Patent Application Serial No. 09/054,896 filed April 3, 1998, which is a continuation of U.S. Patent Application Serial No. 08/436,336 filed June 18, 1995, which issued on April 7, 1998 as U.S. Patent No. 5,737,595, which claims priority from PCT Application no. PCT/AU93/00604 filed Nov. 26, 1993, which claims priority from Australian Patent Application No. PL 6080 Filed Nov. 27, 1992.

App., *infra*, 19a-20a.

Upon receipt of the application, the PTO examiner sent IO Research an Office Action on September 20, 1999,

explaining that, with respect to "[p]riority," "[a]n application in which the benefits of an earlier application are desired must contain a specific reference to the prior application(s) in the first sentence of the specification (37 CFR 1.78)." App., *infra*, 41a. On January 20, 2000, IO Research amended the '094 patent application to insert in the first sentence of the specification, a reference to its prior '896 application filed on April 3, 1998 and the '336 application filed on July 18, 1995. IO Research failed to include in the amendment to the application any reference to the international PCT application filed on November 26, 1993 or any of the original Australian patent applications filed on and after November 27, 1992, that it had referenced in the initial transmittal letter. Accordingly, the first sentence of the '094 patent specification, which reflects IO Research's amendment, now swears:

> This application is a divisional of U.S. patent application Ser. No. 09/054,896, filed Apr. 3, 1998, now patented as U.S. Pat. No. 5,999,934, which is a continuation of U.S. patent application Ser. No. 08/436,336, filed Jul. 18, 1995, now patented as U.S. Pat. No. 5,737,595.

App., *infra*, 71a. Nowhere in the application or the resultant '094 patent is there any reference to the international PCT application and its November 26, 1993 filing date on which IO Research now bases the priority of its invention. App., *infra*, 57a-82a.

b. Respondent IO Research and its licensee brought this suit in district court on November 7, 2003, alleging that petitioner Charter Communications, Inc. is liable for infringement of the '094 patent. Charter is a nationwide broadband communications company which provides a full range of advanced broadband services to homes and businesses, including cable television, high-speed internet service, and other video and data services.

Charter disputes infringement, and moved for summary judgment, arguing that, among other issues, the '094 patent is invalid as a matter of law because its

earliest priority date, July 18, 1995, falls more than one year *after* the publication of the same technology on June 9, 1994, in contravention of the requirements of 35 U.S.C. § 102(b). Broadcast and IO Research responded that the '094 patent can take the benefit, under 35 U.S.C. § 120, of the international PCT application's November 26, 1993 filing date. Moreover, respondents argued that, to the extent that the PTO regulation, 37 C.F.R. § 1.78, imposes procedures not detailed in Section 120, the regulation is somehow invalid.

The district court granted Charter summary judgment. The court determined that respondents had failed to satisfy the requirement of the statute, 35 U.S.C. § 120, and its corresponding regulation, because the '094 patent application made no reference to the international PCT application and its November 26, 1993 filing date, even though the examiner had "reminded" IO Research of those requirements. App., *infra*, 20a. The court also ruled that the PTO's regulation falls within the broad grant of authority conferred by Congress on the PTO: "Congress, pursuant to the language of 35 U.S.C. § 2(b)(2), has delegated to the Patent and Trademark Office the power to promulgate certain rules and regulations." App., *infra*, 26a. Accordingly, the court invalidated the patent pursuant to 35 U.S.C. § 102(b) and held that "[t]he July 18, 1995 priority date claimed by the '094 Patent Application pursuant to the terms of the * * * Regulation as required by the Director is more than one year after the June 9, 1994 foreign publication date" of the technology. App., *infra*, 34a. Finally, in reaching this conclusion, the court noted that IO Research could correct this failure by seeking a certificate of correction from the PTO. App., *infra*, 34a-35a.

c. The court of appeals reversed. App., *infra*, 1a-9a. The Federal Circuit acknowledged, as it had to, that "[t]he '094 patent does not include a specific reference to the initial Australian patent applications or the PCT application on its cover or in its specification." *Id.* at 3a. Nevertheless, the court held that, "[w]here proper reference to a national stage

application exists, no reference to the corresponding PCT application is required because the national stage application effectively has the same U.S. filing date as the PCT application." *Id.* at 7a. The court of appeals reached this conclusion without any acknowledgment of the well-developed body of law construing 35 U.S.C. § 120 and 37 C.F.R. § 1.78(a).

The Federal Circuit found the district court's "error" to be "very understandable under the circumstances" because "the '094 patent itself states that the '595 patent was 'filed Jul. 18, 1995.'" App., *infra*, 8a. According to the court of appeals, while "[t]echnically this statement is correct," the *actual* filing date of July 18, 1995 "[wa]s not the *effective* U.S. filing date," which was instead the unstated filing date of November 26, 1993 for the international PCT application. *Id.* at 9a. Thus, in the court of appeals' view, the "specific reference" requirement of 35 U.S.C. § 120 and the procedures promulgated by the PTO at 37 C.F.R. § 1.78(a) are satisfied without any reference at all to the initial application to which priority is claimed, so long as the inventor cites an application that has an "effective[]" filing date of the prior application for which the inventor seeks the benefit of priority.

The court of appeals denied a petition for panel rehearing or rehearing *en banc*. App., *infra*, 36a-37a.

REASONS FOR GRANTING THE PETITION

Review by this Court of the decision of the Federal Circuit is necessary to ensure the proper and uniform resolution of important questions regarding the priority and validity of patents and the degree of administrative deference accorded to the PTO for its validly promulgated notice-and-comment regulations.

Under the Federal Circuit's precedent, patent applicants are no longer required to disclose the basis for priority in an application, and the public must now search the PTO's records to trace a patent's priority history, contrary to congressional intent. The Federal Circuit's

wholesale, judicial revision of the PTO's notice-and-comment regulation also casts aside the PTO's specialized expertise in how to implement Congress's intent, in direct conflict with this Court's precedents.

If left unreviewed, the Federal Circuit's decision will create considerable uncertainty as to the validity of patents and the disclosure requirements applicants must meet because it conflicts with several other circuits, and it will perpetuate the doubt surrounding the scope of deference that the PTO is due. Because the Federal Circuit's appellate jurisdiction is predicated upon whether a patent law issue is raised in a complaint (invoking the Federal Circuit's removal jurisdiction) rather than in an answer, counterclaim, or other defensive pleading (leaving jurisdiction with the regional courts of appeals), not all patent appeals will be adjudicated under the Federal Circuit's standard. Thus, the validity of some patents may depend upon what posture the patent claims are raised before the district court. The arbitrary nature of this result will certainly lead to forum shopping and preemptive litigation (either to raise a patent claim in a complaint to trigger the Federal Circuit's jurisdiction or to omit a patent claim in a complaint so as to avoid it). And most significantly, the court of appeals' decision will have a dramatic effect on the manner in which the public must examine patents for quick and straightforward priority examinations, effectively shifting the burden from the applicant, who is most knowledgeable, to the public. The Court should grant *certiorari* to resolve these important issues and reject the Federal Circuit's position.

I. THE FEDERAL CIRCUIT'S DECISION CONFLICTS WITH LONGSTANDING DECISIONS OF OTHER CIRCUITS REGARDING THE CRITICAL QUESTION OF PATENT VALIDITY

The decision of the Federal Circuit creates a conflict of authority between the court with the primary responsibility for adjudicating the Nation's patent appeals

and three of the most populous regional courts of appeals, which retain jurisdiction over some cases involving patent validity issues. Prior to the court of appeals' ruling in this case, 35 U.S.C. § 120 was universally applied, in accordance with its express terms, to require a later-filed patent application to include a "specific reference" to each prior application, tracing the relationships between the applications backwards to the application upon which the inventor sought to base priority. The Federal Circuit's decision, by obviating this "specific reference" requirement of the statute, disrupts more than four decades of settled expectations regarding an inventor's disclosure of the basis for priority, which previously could be readily determined from the specification of the patent.

A. The Federal Circuit's Decision Is In Direct Conflict With Decisions Of The Second, Seventh, And Ninth Circuits And The Federal Circuit's Predecessor Court

1. On one side of the legal divide are those courts of appeals that, in conflict with the Federal Circuit, correctly hold that the express terms of 35 U.S.C. § 120 require an inventor seeking the benefit of the priority date of an earlier-filed application to include a "specific reference" to that prior application in the later-filed application. These courts recognize that anything less than an explicit reference to the earliest-filed application upon which the inventor bases priority renders the "specific reference" requirement of Section 120 nugatory. Moreover, these courts appreciate that the "specific reference" requirement of Section 120 relieves the public of the substantial burdens associated with long and expensive searches through the PTO's records to determine the priority date of patents which base their priority on earlier-filed applications, that may or may not themselves have matured into patents. To that end, these courts have plainly rejected the arguments that it is sufficient to refer to an intermediate patent application and not back to the

application the priority for which the inventor seeks to assert, and have invalidated patents that have failed to comply with Section 120's requirements.

The genesis of this body of case law dates back more than 40 years to *Hovlid v. Asari*, 305 F.2d 747 (9th Cir. 1962). In *Hovlid*, an inventor filed an application for a patent on January 18, 1954, which was abandoned when he filed a continuation application on November 29, 1955, which included a specific reference to the prior 1954 application and its filing date. *See id.* at 749. That continuation application subsequently matured into his first patent and had the priority date of January 18, 1954. *See id.* at 748. The inventor then filed an application for a second patent, which contained only the following reference to his first patent and no reference to the initial 1954 application: "'This application is a division application Serial No. 550,039 filed by me November 29, 1955 and issued to me on May 26, 1956 as Patent No. 2,748,075.'" *Ibid.* (quoting application).

In a later infringement action, the district court held that the second patent was invalid under 35 U.S.C. § 102(b) because the invention had been in use more than one year prior to November 29, 1955 (the filing date of the continuation application). *Id.* at 749. On appeal, the inventor proffered an argument indistinguishable from that made by respondents in the instant case (and adopted by the Federal Circuit). In short, he argued that, even though the application that matured into his second patent contained no reference to the original January 18, 1954 application upon which he sought to base priority, his reference to his first patent from the continuation application was sufficient because that patent, itself, had the earlier *effective* priority date of the original application. *Id.* at 750.

The Ninth Circuit soundly rejected that card-house argument. Construing both 35 U.S.C. § 120 and the PTO's Rule 78 (as set forth at 37 C.F.R. § 1.78), the court of appeals correctly held that both dictate "that if the benefit

of the filing date of a prior application is claimed, the subsequent application must contain or be amended to contain a reference in the specification to the prior application identifying it by serial number and filing date and indicating the relationship of the applications." *Hovlid*, 305 F.2d at 751. Because the inventor "failed to state the serial number, filing date and the relationship of the second patent to the abandoned application," there was a "complete failure to comply with Rule 78 and Section 120, and consequently, a waiver of the benefits afforded by the latter section." *Id.* at 751-752.

The Seventh Circuit reached the same conclusion in *Stickler Industrial Supply Corp. v. Blaw-Knowx Co.*, 405 F.2d 90 (7th Cir. 1968), where it addressed the circumstance where "a third patent application was a division of a second application which was a continuation-in-part of the first application," and "[t]he question [of] whether the third application may obtain the benefit of the filing date of the first application by cross-referencing only to the second application, which in turn cross-references to the first." *Id.* at 91. The Seventh Circuit correctly concluded that the inventor's third application was not entitled to the benefit of the priority date of the first application, "because neither the [third] application nor patent contains 'a specific reference' to the [first application]" as required by 35 U.S.C. § 120. *Id.* at 92. The Seventh Circuit specifically reached this conclusion even though "the second * * * application was entitled to the filing date of the first application since it specifically cross-referenced to the first application." *Id.* at 93.

Like the Ninth and Seventh Circuits, the Second Circuit has also squarely adopted a position with which the Federal Circuit now conflicts. In *Sampson v. Ampex Corp.*, 463 F.2d 1042 (2d Cir. 1972), the court of appeals resolved an infringement dispute where an inventor filed three applications relating to the same invention – on November 14, 1961, in March 1963, and on June 24, 1964

– the last of which matured into the patent at issue in the infringement action. *Id.* at 1043.

The inventor asserted that Section 120 permitted him to take "the benefit of the filing date" of the November 14, 1961 application "even though there was no 'specific reference' in the 1964 application to the 1961 application." *Id.* at 1043, 1045. According to the inventor, since "the applications constitute a direct chain so that appellant can have the benefit of the 1961 filing date because the 1964 application referred to the 1963 application which referred to the 1961 application." *Id.* at 1045. Citing both *Hovlid* and *Stickler*, the Second Circuit unequivocally rejected this constructive compliance argument: "§ 120 has been interpreted, we believe correctly, to require that for a subsequent application to have the benefit of the filing date of an earlier application, it must contain the 'specific reference' to the application the filing date of which the applicant seeks to have the benefit." *Ibid.*

These decisions are anything but outliers or aberrations. Indeed, the Federal Circuit's predecessor court, the Court of Customs and Patent Appeals, adopted this plain language and common sense construction of 35 U.S.C. § 120. In *In re Henricksen*, 399 F.2d 253 (C.C.P.A. 1968), the court of appeals explained that the "specific reference" requirement of Section 120 was "satisfied" because the application explicitly referred to *all* prior applications. *Id.* at 256 & n.6 (citing *Hovlid*, 305 F.3d 747). Not surprisingly, the leading treatise on patent law prescribes this approach as well. *See* 4A David S. Chisum, *Chisum on Patents* (2004) § 13.06[2] ("An application must refer to the remote application in order to obtain the benefit of its filing date, and it must not omit reference to any intermediate application necessary to maintain a chain of copendency and disclosure.").

In short, a clear majority of the courts of appeals that have addressed the issue have mandated that an inventor who seeks the benefit of the priority date of an earlier-filed application must "specific[ally] refer[]" to *that* application

in the later-filed application. Under the precedent of these appellate courts, respondents' '094 patent would not be permitted to benefit from the priority date of the international PCT application because there is no reference whatsoever to that application or the international filing date anywhere in the '094 patent or its application. The '094 patent is therefore not entitled to that earlier filing date for the purposes of priority and, like the patents at issue in *Hovlid*, *Stickler* and *Sampson*, the '094 patent is invalid under 35 U.S.C. § 102(b), because the claimed invention already was published more than one year before the earliest priority date to which the patent is entitled.

2. The Federal Circuit stands alone in its contrary ruling, which not only creates a clear split with the still valid precedents of the Second, Seventh and Ninth Circuits, but also reflects a radical departure from the Court of Custom and Patent Appeals' application of Section 120. The Federal Circuit reached its decision without even acknowledging these substantial contrary authorities, even though the issue involves statutory and regulatory interpretation which is well within the regional courts of appeals' expertise.

Although the Federal Circuit acknowledged that "[t]he '094 patent does not include a specific reference to * * * the PCT application," it held that a citation to an intermediate application nevertheless satisfied 35 U.S.C. § 120 and 37 C.F.R. § 1.78(a), because the intermediate application has an "effective" filing date concomitant with the actual filing date of the earlier international PCT application. App., *infra*, 7a.

The ramifications of this decision are potentially breathtaking. Take, for example, a string of applications beginning with A and ending with G (*e.g.*, applications A, B, C, D, E, F, G). Under the precedents of the Second, Seventh and Ninth Circuits, application G is entitled to the filing date of application A only if application G refers specifically to applications F, E, D, C, B and A. Under this regime, anyone searching for the priority date of patent G

would know, from application G and the resultant patent G, that the earliest priority date the inventor seeks to assert is the filing date of application A. By contrast, under the Federal Circuit's decision, patent G is entitled to the filing date of application A even if application G refers only to one of any of the intermediate applications that themselves have the *effective* filing date of application A, even if that intermediate patent cites only to another intermediate patent. As a consequence, an individual seeking the priority date of patent G might have to look at the filing dates for each of the intermediate applications F, E, D, C and B to discover that G claims the benefit of the filing date of application A.

B. Review Is Necessary To Avoid Inconsistent Rulings On Patent Validity Because Some Patent Cases Remain Within The Regional Circuits' Jurisdiction

This conflict of authorities between lower courts is not inchoate. It is no answer to rely upon the grant of "exclusive jurisdiction" to the Federal Circuit in cases where a district court's jurisdiction "was based, in whole or in part, on section 1338" of title 28. 28 U.S.C. § 1295(a)(1). Although the Federal Circuit maintains exclusive jurisdiction over appeals where the district court's jurisdiction was predicated upon an action "arising under any Act of Congress relating to patents," 28 U.S.C. § 1338(a), that broad grant does not encompass all actions involving the validity of a patent. Rather, as this Court reaffirmed, "the Federal Circuit's jurisdiction is fixed with reference to that of the district court, and turns on whether *the action arises under* federal patent law." *Holmes Group, Inc. v. Vornado Air Circulation Sys., Inc.*, 535 U.S. 826, 829 (2002) (emphasis supplied).

Accordingly, where the patent component of a dispute is first raised in an answer, a counterclaim, or other responsive pleading, the regional court of appeals rather than the Federal Circuit maintains jurisdiction over any

appeal. *See id.* at 831 ("Allowing a counterclaim to establish 'arising under' jurisdiction would also contravene the longstanding policies underlying our precedents."); *Christianson v. Colt Indus. Operating Corp.*, 486 U.S. 800, 809 (1988) ("a case raising a federal patent-law defense does not, for that reason alone, 'arise under' patent law, 'even if the defense is anticipated in the plaintiff's complaint, and even if both parties admit that the defense is the only question truly at issue in the case.'" (quoting *Franchise Tax Bd. of Cal. v. Construction Laborers Vacation Trust for S. Cal.*, 463 U.S. 1, 14 (1983))).

Indeed, by preserving some jurisdiction for the regional courts of appeals to hear patent cases, Congress dictated that "other circuits will have some role to play in the development of this area of the law." *Holmes Group*, 535 U.S. at 839 (Stevens, J., concurring in part and concurring in the judgment). That preserved jurisdiction is of assistance to the Court because "[a]n occasional conflict in decisions may be useful in identifying questions that merit this Court's attention." *Ibid.* This is precisely such a case.

Review here will help guard against institutionalized "pro-patent bias" that may tend to arise in a specialized court but not in "occasional decisions by courts with broader jurisdiction." *Id.* at 839 & n.4. The fact that the regional courts of appeals, with more general jurisdiction and an obvious expertise in construing statutes and regulations, have reached a contrary conclusion is a good indication that the Federal Circuit's judgment may have been clouded by a "pro-patent bias."

Finally, the limited frequency with which patent cases arise in other circuits underscores the need for more immediate intervention by this Court when a conflict arises between the Federal Circuit and other courts of appeals. This conflict will percolate at a much slower pace in the other regional circuits than in the typical case involving the correct interpretation of a federal statute and regulation. All the while, however, the conflict will

require the district courts within the Second, Seventh and Ninth Circuits to apply two different interpretations of the same statute, depending upon which jurisdiction the dispute arises under. The decision below involves a straightforward construction of statutes and regulations, does not involve any patent technology, and provides an ideal vehicle to resolve this dispute.

II. THE COURT OF APPEALS DEFIED THIS COURT'S PRECEDENTS BY FAILING TO DEFER TO A PTO REGULATION AND DEFEATS THE INTENT OF THE STATUTE AND REGULATION THAT A PATENT APPLICATION NOTIFY THE PUBLIC OF THE BASIS FOR ITS PRIORITY

A. The Federal Circuit's Decision Reflects Its Continued Ad Hoc Approach To Deference For The PTO, Contrary To This Court's Precedents

The Federal Circuit's ruling ignores the plain language of the PTO's regulation, 37 C.F.R. § 1.78(a), that was validly promulgated after notice-and-comment rulemaking. By the express terms of the regulation, in order for a patent applicant to claim the benefit of the filing date of a prior application, Section 1.78 requires "a reference to each * * * prior application" identified "by application number," or in the case of an international PCT application by "international application number and international filing date," and an explanation of "the relationship of the applications." 37 C.F.R. § 1.78(a)(2)(i) (1999). Rather than defer to this regulation, the court of appeals instead eliminated *each* of these requirements. The court excused IO Research's failure to refer to the international PCT application number and its international filing date or to proffer any explanation as to the relationship between the international PCT application and the other applications. This judicial revision of the PTO's regulation plainly violates the

principles of administrative deference as set forth by this Court, and it reflects the Federal Circuit's continued practice of refusing to treat the PTO like other administrative agencies.

1. It is well settled that where Congress has delegated to an agency the authority to issue regulations, the agency's properly promulgated regulations within that scope are entitled to substantial deference under *Chevron U.S.A. Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837 (1984). *See United States v. Mead Corp.*, 533 U.S. 218, 227 (2001) ("[A] particular statutory provision qualifies for *Chevron* deference when it appears that Congress delegated authority to the agency generally to make rules carrying the force of law, and that the agency [rule] claiming deference was promulgated in the exercise of that authority."). Under *Chevron*, such regulations are binding upon "the courts unless procedurally defective, arbitrary or capricious in substance, or manifestly contrary to the statute." *Ibid.*

Moreover, *even if* an agency regulation is not entitled to *Chevron* deference, courts are not authorized to merely cast aside the agency's work. Rather, "the well-reasoned views of the agencies implementing a statute 'constitute a body of experience and informed judgment to which courts and litigants may properly resort for guidance.'" *Bragdon v. Abbott*, 524 U.S. 624, 642 (1998) (quoting *Skidmore v. Swift & Co.*, 323 U.S. 134, 139-140 (1944)). To this end, this Court has "'long recognized that considerable weight should be accorded to an executive department's construction of a statutory scheme it is entrusted to administer * * *.'" *Mead*, 533 U.S. at 227-228 (quoting *Chevron*, 467 U.S. at 844). Accordingly, an agency's deference under *Skidmore* "depend[s] upon the thoroughness evident in its consideration, the validity of its reasoning, its consistency with earlier and later pronouncements, and all those factors which give it power to persuade, if lacking power to control." *Skidmore*, 323 U.S. at 140. These factors, which examine "the degree of

the agency's care, its consistency, formality, and relative expertness, and to the persuasiveness of the agency's position," *Mead*, 533 U.S. at 228 (footnotes omitted), *must* be considered where an agency rule falls outside of the deference afforded under *Chevron*, *id.* at 234-235 (vacating Federal Circuit's decision for failing to consider *Skidmore* deference).

2. In contrast to this Court's methodical approach to administrative deference, the Federal Circuit's approach with respect to the PTO has been rife with inconsistent, *ad hoc* applications of deference, corrected to some extent by this Court. Indeed, this Court has explicitly held that the PTO is to be afforded the same deference that is otherwise accorded to other federal agencies. In *Dickinson v. Zurko*, 527 U.S. 150 (1999), this Court corrected the court of appeals' failure to properly defer to the PTO's findings of fact. Rather than review the PTO's factfinding under the substantial evidence standard, 5 U.S.C. § 706, the Federal Circuit had reviewed such findings under a "clearly erroneous" standard of review. *Dickinson*, 527 U.S. at 153-154. Rejecting the court of appeals' approach, this Court recognized that the Federal Circuit's less deferential standard undermined "the importance of maintaining a uniform approach to judicial review of agency action * * *." *Id.* at 154.

The Court's decision in *Dickinson v. Zurko* focused, however, on agency factfinding, not the PTO's regulations. Confusion and tension still persist regarding the deference to which the PTO's regulations are entitled. Thus, there is a continued failure on the part of the Federal Circuit to apply consistently this Court's administrative deference precedents and to recognize that the PTO's regulations are entitled to *Chevron* deference.

In *Merck & Co., Inc. v. Kessler*, 80 F.3d 1543 (Fed. Cir. 1996), the Federal Circuit held that the PTO's regulations are not entitled to *Chevron* deference because "Congress has not vested the Commissioner with any general substantive rulemaking power." *Id.* at 1549-1550. This

holding is wrong and in direct conflict with *Lacavera v. Dudas*, ___ F.3d ___, 2006 WL 266061 (Fed. Cir. Feb. 6, 2006), where the Federal Circuit recognized that, under 35 U.S.C. § 2(b)(2), "the PTO has broad authority to govern the conduct of proceedings before it" and deferred to the PTO's regulations under the *Chevron* framework. *Id.* at *3.

Indeed, decisions where the Federal Circuit has engaged in *de facto* revisions to PTO regulations, without giving any deference to agency intent, are plainly illustrative of this problem. *Ulead Systems, Inc. v. Lex Computer & Management Corp.*, 351 F.3d 1139, 1151 (Fed. Cir. 2003) (Newman, J., dissenting) (accusing panel of "negating the [PTO's] regulations and ignoring the deference appropriate to the PTO" and explaining that the court's "authority * * * does not extend to rewriting agency regulations").[2]

Likewise, even when not applying *Chevron*, the Federal Circuit has struggled to give deference to PTO interpretations under *Skidmore*. *Hoechst Aktiengesellschaft v. Quigg*, 917 F.2d 522, 526 (Fed. Cir. 1990) ("Since this court must reject administrative constructions of the

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[2] *Ulead Systems* involved the standard for invalidating a patent (inequitable conduct or fraud) where a patentee inaccurately claimed entitlement to small entity status (which results in reduced patent maintenance fees). The Federal Circuit held the PTO's regulation, which prohibits "[a]ny attempt to *fraudulently*" use small entity status merely proscribes the court's inequitable conduct standard. *Ulead Systems*, 351 F.3d at 1145 (quoting 37 C.F.R. § 1.28(d) (1993)). Thus, the court "d[id] not need to decide whether [its] standard or the standard in the PTO rule should prevail in the event of a conflict." *Ibid.* The dissent noted that the standards were not the same, because "[r]eference to the inequitable conduct rule had previously been dropped from the regulation." *Id.* at 1151 (Newman, J., dissenting). Whereas fraud requires rigorous proof, inequitable conduct is ordinarily "unclean hands" before the PTO that affects patentability. *Ibid.* It was therefore not accurate for the panel majority to claim "that it 'need not decide' whether to apply 'our standard' or 'the standard in the PTO rule.'" *Ibid.* Thus, according to the dissent, the court of appeals had "rewrit[ten] agency regulations." *Ibid.*

statute that are inconsistent with the statutory mandate, we give no deference to the agency's interpretations and conclusions," even though there was "sufficient ambiguity * * * to accommodate and bear the weight of both [interpretations]."). Finally, judges on the Federal Circuit are in open disagreement as to when the PTO is entitled to deference under *Auer v. Robbins*, 519 U.S. 452 (1997), for interpretations of its own regulations. *Dethmers Mfg. Co., Inc. v. Automatic Equip. Mfg. Co.*, 272 F.3d 1365, 1380 (Fed. Cir. 2001) (Dyk, J., dissenting) ("There is simply no basis for treating the PTO differently from any other administrative agency."); *Dethmers Mfg. Co., Inc. v. Automatic Equip. Mfg. Co.*, 293 F.3d 1364 (Fed. Cir. 2002) (six judges dissenting from the denial of rehearing *en banc*).

This uncertainty undermines both the integrity and stability of the nation's patent system which has always been a cornerstone of the national economy. Only review by the Court can rectify the divergent applications of *Chevron* and *Skidmore*, and the circumstances where the Federal Circuit affords no deference to the PTO.

3. The Federal Circuit's ruling here is plainly emblematic of this confusion. Although the court of appeals cited 37 C.F.R. § 1.78, its conclusion that this regulation requires only "some reference to earlier filed applications," App., *infra*, 7a, is plainly contradicted by the detailed procedures outlined by the regulation, 37 C.F.R. § 1.78(a)(2)(i) (1999) (requiring "a reference to each * * * prior filed application" identified "by application number" or in the case of an international PCT application by "international application number and international filing date," and an explanation of "the relationship of the applications.").[3] The court's ruling in no manner constitutes an application of these procedures; rather, it

[3] As previously noted, the current Section 1.78 is virtually identical to the 1999 version in effect during the instant case. *See* page 6 *supra*.

affects an unstated invalidation, or at best a revision, of the PTO's regulation.

Nowhere do this Court's precedents permit a lower federal court to undertake such a revision of an agency's regulation, however. Rather, this Court has held that an agency's regulation, if not invalid, must be given effect, whether as controlling under *Chevron* or to the extent persuasive under *Skidmore*. *Mead*, 533 U.S. at 234 ("To agree with the Court of Appeals that Customs ruling letters do not fall within *Chevron* is not, however, to place them outside the pale of any deference whatever.").

The PTO's regulation at issue here is controlling under *Chevron*. The "starting point" for the inquiry is the "authority Congress has delegated to the" agency. *Gonzales v. Oregon*, 126 S. Ct. 904, 916 (2006). Here, Congress vested the PTO with broad power to "establish regulations, not inconsistent with law, which * * * shall govern the conduct of proceedings in the Office * * *." 35 U.S.C. § 2(b)(2)(A); *see* 35 U.S.C. § 6(a) (1995). Congress has "explicitly left a gap for the agency to fill, [and] there is an express delegation of authority to the agency." *Chevron*, 467 U.S. at 843-844; *see also Mead*, 533 U.S. at 229 ("[A] very good indicator of delegation meriting *Chevron* treatment is express congressional authorizations to engage in the process of rulemaking * * *.").[4]

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[4] Congress implicitly acknowledged the PTO's authority to promulgate 37 C.F.R. § 1.78 when it codified Section 120. The regulation pre-dates the Patent Act of 1952, *see* 13 Fed. Reg. 9580-9581 (Dec. 31, 1948). Therefore, by enacting 35 U.S.C. § 120, Congress merely codified existing laws, which included the specific requirements of the PTO's regulation. *A Bill to Revise and Codify the Laws Relating to Patents and the Patent Office, and to Enact into Law Title 35 of the United States Code Entitled "Patents": Report on H.R. 7794 from the House Comm. on the Judiciary*, 82d Cong. 20 (1952) (noting that Section 120 codifies existing law "not codified in the statute" except that a "specific[ity]" requirement was being added to the reference to the first patent).

The PTO's regulation clearly falls within that delegated power because 37 C.F.R. § 1.78 outlines the procedures that an applicant must follow, during the patent prosecution process, to receive the benefit of the filing date of an earlier application.[5] Thus, the PTO's regulation is binding "unless procedurally defective, arbitrary or capricious in substance, or manifestly contrary to the statute." *Mead*, 533 U.S. at 227.

There can be no sound argument that 37 C.F.R. § 1.78 is invalid under *Chevron*'s deferential standard. The PTO promulgated the regulation after notice and comment. *See* 70 Fed. Reg. 30365 (May 26, 2005); 70 Fed. Reg. 3891 (Jan. 27, 2005); 69 Fed. Reg. 56541 (Sept. 21, 2004). And the regulation merely creates reasonable procedures to require compliance with the "specific reference" requirement of the statute, 35 U.S.C. § 120.

Moreover, *even if* this Court were to conclude that the PTO regulation were not entitled to deference under *Chevron*, the court of appeals still violated the basic tenets of administrative law by not examining the regulation under *Skidmore*. *Mead*, 533 U.S. at 234. Indeed, under that less deferential standard, the PTO regulation fares very well. The PTO is a highly specialized agency charged with administering the world's most complex and important patent system. Inventors across the world file applications with the United States, many of whom seek to base the priority of their invention on international PCT applications filed abroad. The PTO's procedures, as

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[5] In Section 120, Congress has also provided that "[n]o application shall be entitled to the benefit of an earlier filed application under this section unless an amendment containing the specific reference to the earlier application is submitted at such time during the pendency of the application as required by the Director." 35 U.S.C. § 120. Although the "as required by the Director" language became effective on November 28, 2000, it unquestionably reaffirms Congress's delegation to the PTO to promulgate regulations to implement the "specific reference" requirement.

evident from 37 C.F.R. § 1.78, are aimed at reconciling the tensions associated with granting inventors priority based upon earlier-filed applications (including international applications) and the public's need for complete disclosure, in the specification of the issued patent, of the basis for any claim to an earlier priority date. Moreover, the PTO has consistently maintained this position for nearly six decades, having first promulgated the rule in 1948, *see* 13 Fed. Reg. 9580 (Dec. 31, 1948), and the rule has been thoroughly tested, having undergone public notice and comment on numerous occasions. In short, this is precisely the type of administrative rule that merits substantial, near controlling deference under *Skidmore*. *Mead*, 533 U.S. at 228; *Skidmore*, 323 U.S. at 140.

Finally, in no manner can respondents claim compliance with 37 C.F.R. § 1.78 on the grounds that the omitted application was an international PCT application, and that such an application is somehow excused from being referenced. First, the regulation explicitly requires that *more*, not less, information be provided with respect to international applications upon which an applicant relies for priority. *See* 37 C.F.R. § 1.78(a)(2) (national applications must be referenced "by application number" while international applications must be referenced by "international application number and international filing date"). Second, the international PCT application and the national stage are distinct filings, with different filing numbers and dates.[6] A national stage application must be

[6] The court of appeals held, based on its interpretation of 35 U.S.C. § 363, that "the national stage application effectively has the same U.S. filing date as the PCT application." App., *infra*, 7a. In fact, Section 363 provides that an international PCT application "shall have the effect" of a national application, not vice versa. Likewise, Section 120 provides that a later-filed application "shall have the same effect" as a prior application if its requirements are met. But that "effect" does not permit an inventor to refer only to an intermediate application to seek the benefit of an earlier application, without referencing the earlier

(Continued on following page)

filed with the PTO, and include a separate filing fee and an oath or declaration from the inventor. 35 U.S.C. § 371(c). Third, and most importantly, Congress has explicitly provided that "a national application shall be entitled to the benefit of the filing date of a prior international application designating the United States" only "[i]n accordance with *the conditions and requirements of* section 120 of this title." 35 U.S.C. § 365(c) (emphasis supplied). Thus, Congress, not just the PTO, has deemed it necessary for an inventor to comply with the "conditions and requirements of section 120" in order to get the benefit of the filing date of an international application.

B. The Federal Circuit's Failure To Defer To The PTO Undermines An Important Congressional Policy To Make Readily Available In A Patent's Specification The Basis Of The Patent's Priority

The Federal Circuit's ruling undermines the important public policy "embodie[d]" in Section 120, which the PTO's regulation plainly aims to effect. *Sampson*, 463 F.2d at 1045. As the Second Circuit has explained:

> Although § 120 might appear to be a technical provision, it embodies an important public policy. The information required to be disclosed is information that would enable a person searching the records of the Patent Office to determine with a minimum of effort the exact filing date upon which a patent applicant is relying to support the validity of his application or the validity of a patent issued on the basis of one of a series of applications. In cases such as this, in which two or more applications have been filed and the validity of a patent rests upon the

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application, merely because the intermediate application "ha[s] the same effect" of the earlier application.

> filing date of an application other than that upon which the patent was issued, a person, even if he had conducted a search of the Patent Office records, could unwittingly subject himself to exactly this type of infringement suit unless the later application adequately put him on notice that the applicant was relying upon a filing date different from that stated in the later application.

Ibid. The Federal Circuit's decision in this case, which will prove binding in a substantial number of circumstances, *will* require the public to undertake more burdensome searches to avoid possible infringement. This is so, even though "[t]he inventor is the person best suited to understand the relation of his applications, and it is no hardship to require him to disclose the information" in the application's specification. *Sticker Industrial Supply*, 405 F.2d at 93.

Indeed, the instant case demonstrates that this requirement is not any type of a technical trap for the unwary. Respondent IO Research was specifically notified by the examiner of the flaw in its application regarding priority and given an opportunity to correct that error. App., *infra*, 41a. When respondents then amended their application to include citations to earlier applications to claim priority, however, the record reveals a conscious decision by IO Research not to include a specific reference to the international PCT application which had been included in the initial transmittal letter. Rather, IO Research narrowed its amendment not to extend the priority reference back to that application and their attempt to do so now, in litigation, is unsound.

Significantly, IO Research's failure to claim proper priority back to the international PCT application does not mean that its patent is forever invalid. IO Research may still, even today, correct its patent through a petition to the PTO. 35 U.S.C. § 255. Indeed, petitioner pointed that out below and the district court understood that point.

App., *infra*, 34a-35a. The only problem from IO Research's perspective is that in litigation that is pending when a certificate of correction is sought or obtained, the asserted patent "must be considered without the benefit of the certificate of correction." *Novo Indus., L.P. v. Micro Molds Corp.*, 350 F.3d 1348, 1356 (Fed. Cir. 2003) (citation omitted). Thus, the Federal Circuit ruling was necessary only to allow respondent to unfairly pursue a recovery of damages from Charter based on an invalid patent. Certainly such circumstances do not justify the overthrow of the system established by Congress for claiming priority to an earlier-filed application, as implemented by the PTO through duly promulgated regulations.

CONCLUSION

For the reasons set forth above, the petition for a writ of *certiorari* should be granted.

Respectfully submitted,

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March 8, 2006

APPENDIX A

United States Court of Appeals
for the Federal Circuit

05-1008

BROADCAST INNOVATION, L.L.C.
and IO RESEARCH PTY LTD.,

Plaintiffs-Appellants,

-v.

CHARTER COMMUNICATIONS, INC.,

Defendant-Appellee,

and

COMCAST CORPORATION,

Defendant.

Paul M. Smith, Jenner & Block LLP, of Washington, DC, argued for plaintiffs-appellants. With him on the brief were Jonathan T. Suder and Edward R. Nelson III, Friedman, Suder & Cooke, of Fort Worth, Texas; and Edward W. Goldstein and Corby R. Vowell, Goldstein & Faucett, L.L.P., of Houston, Texas.

Beth S. Brinkmann, Morrison & Foerster LLP, of Washington, DC, argued for defendant-appellee. On the brief were Robert M. Harkins, Jr., of San Francisco, California; and David C. Doyle and Jose L. Patino, of San Diego, California.

Appealed from: United States District Court for the District of Colorado

Judge Alan B. Johnson

DECIDED: August 19, 2005

Before MAYER, RADER, and DYK, Circuit Judges.

RADER, Circuit Judge.

On summary judgment, the United States District Court for the District of Colorado determined that U.S. Patent No. 6,076,094 (the '094 patent) is invalid under 35 U.S.C. § 102(b). *Broadcast Innovation L.L.C. v. Charter Communications, Inc.*, 03-WY-2223-AJ (BNB) (D. Col. Aug. 4, 2004) (*Summary Judgment Order*). Because the district court improperly determined the '094 patent's priority date, this court reverses.

I.

IO Research Pty. Limited of Australia (IO Research) owns the '094 patent. Broadcast Innovation L.L.C. (Broadcast), by exclusive license, has the right to enforce the '094 patent in the United States. *Summary Judgment Order*, slip op. at 4 n.7. Broadcast sued Comcast Corp. (Comcast) and Charter Communications, Inc. (Charter) on November 7, 2003, alleging infringement of claims 8, 15, 22 and 29 of the '094 patent. Comcast settled with the plaintiffs on June 28, 2004, and thus is not a party to the present appeal. With the court's permission, IO Research later joined the litigation. *Id.* at 2. Broadcast and IO Research will collectively be referred to as "IO" throughout this opinion.

Before trial, Charter filed a motion for summary judgment that "the '094 Patent is invalid as a matter of law because its earliest priority date – July [18,] 1995 –

falls more than one year after the [June 9, 1994] publication of [PCT/AU93/00607] regarding the same technology." *Id.*, slip op. at 4. The district court granted Charter's motion on August 3, 2004, and this appeal followed. *Id.*, slip op. at 25. This court has jurisdiction pursuant to 28 U.S.C. § 1295(a)(1) (1994).

II.

The '094 patent claims a distributed database system with applicability to data broadcasting and data casting communications media. '094 patent, col. 1, II. 11-14. This distributed database system was initially disclosed in a series of three Australian patent applications filed in the fall of 1992 and the winter of 1993, and later consolidated into a single international application PCT/AU/93/00607 (the PCT application) filed on November 26, 1993. *Summary Judgment Order*, slip op. at 7. The PCT application became a national stage application in the United States on July 18, 1995 as no. 08/436,336 (the '336 application). The '336 application eventually matured into U.S. Patent No. 5,737,595 (the '595 patent).

Before issuance of the '595 patent, the applicant filed a continuation application as 09/054,896 (the '896 application). The '896 application, in turn, matured into U.S. Patent No. 5,999,934 (the '934 patent). Again before issuance of the '934 patent, the applicant filed a divisional application 09/316,164 (the '164 application). This divisional matured into the '094 patent which is at issue in the present case.

The '094 patent does not include a specific reference to the initial Australian patent applications or the PCT application on its cover or in its specification. During

prosecution of the '164 application (the application that became the '094 patent), the applicant filed a transmittal letter and an oath & declaration claiming priority to the Australian applications and the PCT application. The '094 patent itself merely states:

> This application is a divisional of U.S. patent application Ser. No. 09/054,896, filed Apr. 3, 1998, now patented as U.S. Pat. No. 5,999,934, which is a continuation of U.S. patent application Ser. No. 08/436,336, filed Jul. 18, 1995, now patented as U.S. Pat. No. 5,737,595.

'094 patent, col. 1, II. 4-8. The district court based its summary judgment of invalidity on the absence of any specific reference to the PCT application on the face of the '094 patent.

III.

This court reviews the district court's grant or denial of summary judgment under the law of the regional circuit. *Chamberlain Group, Inc. v. Skylink Techs., Inc.*, 381 F.3d 1178, 1191 (Fed. Cir. 2004). Under the law of the tenth circuit, the grant or denial of a summary judgment motion is reviewed de novo. *Simms v. Oklahoma ex rel. Dep't of Mental Health & Substance Abuse Servs.*, 165 F.3d 1321, 1326 (10th Cir. 1999). A summary judgment motion requires the trial court to ascertain that the case presents no genuine issues of material fact. *See* Fed. R. Civ. P. 56(c); *Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986). Indeed this case presents no disputed issues of fact relevant to the district court's invalidity determination. The '094 patent includes a specific reference to its predecessors, the '934 patent and the '595 patent, but does not include a specific

reference to the PCT application on its cover or in its specification. Thus, the issue before this court is purely a question of law – namely, what is the priority date of the '094 patent in the absence of a specific reference to the PCT application?

The district court based its priority determination on its interpretation of various statutes and regulations. This court reviews the district court's interpretation of statutory and regulatory provisions without deference. *Merck & Co. v. Kessler*, 80 F.3d 1543, 1549 (Fed. Cir. 1996). In that review, appellate courts may address arguments beyond those originally presented by the parties to the district court, particularly where the issue presents significant questions of general impact or of great public concern as in the present case which potentially impacts a large number of patents originating from foreign applications. *See L.E.A. Dynatech, Inc. v. Allina*, 49 F.3d 1527, 1531 (Fed. Cir. 1995) (*citing Dean Witter Reynolds, Inc. v. Fernandez*, 741 F.2d 355, 360-61 (11th Cir. 1984); *Brooktree Corp. v. Advanced Micro Devices, Inc.*, 977 F.2d 1555, 1575 (Fed. Cir. 1992)). Section 120 of title 35 sets forth requirements for a U.S. patent to claim priority based on an earlier filed application:

> An application for patent for an invention disclosed . . . in an application previously filed in the United States, or [in a PCT application designating the U.S.] as provided by section 363 of this title . . . shall have the same effect . . . as though filed on the date of the prior application, if filed before the patenting or abandonment of or termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application and ***if it contains or is amended to contain a***

specific reference to the earlier filed application.

35 U.S.C. § 120 (effective to November 28, 2000) (emphasis added). 35 U.S.C. § 120 was amended in 1999 by Pub. L. No. 106-113 to add:

> No application shall be entitled to the benefit of an earlier filed application under this section unless an amendment containing the specific reference to the earlier filed application is submitted at such time during the pendency of the application as required by the Director. The Director may consider the failure to submit such an amendment within that time period as a waiver of any benefit under this section. The Director may establish procedures, including the payment of a surcharge, to accept an unintentionally delayed submission of an amendment under this section.

35 U.S.C. § 120 (effective Nov. 29, 2000). Both versions of § 120 state that a patent application must contain a "specific reference" to an earlier filed application to qualify for the filing date of the prior application. This court need not address which version of the statute controls because the outcome is the same in either case.

The United States Patent & Trademark Office (USPTO) has promulgated regulations to specify the procedures for claiming priority under § 120. *See* 37 C.F.R. § 1.78(a)(2)(i) (1997) (requiring specific reference in the first sentence of the specification). 37 C.F.R. § 1.78(a) was amended after issuance of the '094 patent to allow applicants to file an application data sheet (ADS) including priority information for an application instead of or along with providing reference in the specification itself, the

ADS causing the USPTO to print the priority information on the patent cover page. *See* 37 C.F.R. § 1.78(a)(2)(iii) (2000). Both versions of the statute, as well as the 1997 version and the 2000 version of § 1.78(a), require some reference to earlier filed applications (i.e., in the specification or on the cover page) to qualify for priority based on those earlier filings. Here the applicant properly referenced the national stage of a PCT application (i.e., the application that became the '595 patent). Where proper reference to a national stage application exists, no reference to the corresponding PCT application is required because the national stage application effectively has the same U.S. filing date as the PCT application. Therefore, under either version of the statute or the regulation, the reference in the '094 patent to the '595 and '934 patents meets the statutory and regulatory requirements.

In the present case, the '094 patent includes a reference to the '595 patent and the '934 patent in the first sentence of the specification and on its cover page. '094 patent, col. 1, II. 4-8. The '595 patent has the earliest U.S. filing date and thus becomes "the prior application" under § 120 for the '094 patent specification. Beyond the reference to the '595 and '934 patents, the '094 specification properly states the relationship of the '094 patent to the '595 patent and the '934 patents: the '094 patent is a divisional of the '934 patent, which is a continuation of the '595 patent. This "specific reference" in the '094 patent entitles the applicant to claim priority from the date of the '595 patent's U.S. filing. Because this case does not raise any other issues relevant to 35 U.S.C. § 120, such as copendency between the pending application and "the first application" or "an application similarly entitled to the benefit of the filing date of the first application," this court

turns to a determination of the U.S. filing date of the '595 patent.

As previously mentioned, the applicant filed the '595 patent on July 18, 1995, as the U.S. national stage application of the original PCT application. However, July 18, 1995 is not the "U.S. filing date" of the '595 patent. Specifically, under 35 U.S.C. § 363, the international filing date of a PCT application is also the U.S. filing date for the corresponding national stage application. 35 U.S.C. § 363 (1984); *see also* Manual of Patent Examining Procedure (MPEP) § 1893.03(b) (8th Ed. including May 2004 revisions) ("It should be borne in mind that the filing date of the international application is also the filing date for the national stage application."). Thus, the '595 patent's U.S. filing date is November 26, 1993, the filing date of the PCT application. Because the '094 patent is entitled to priority back to the '595 patent's U.S. filing date, the '094 patent's priority date under 35 U.S.C. § 120 as well as its term calculation date under 35 U.S.C. § 154(a)(2) is at least November 26, 1993. In other words, the '094 patent, which specifically references the '595 patent and thus satisfies the requirements of 35 U.S.C. § 120 and 37 C.F.R. § 1.78(a), is entitled to effectively the same date as the original PCT application.

The district court did not give the '094 patent the benefit of the U.S. filing date of the '595 patent, or the filing date of the original PCT application. Due to this error, the trial court found that WO94/13102, the June 9, 1994 publication of the PCT application, anticipated the '094 patent under 35 U.S.C. § 102(b). *Summary Judgment Order*, slip op. at 23-24. Actually this error is very understandable under the circumstances: the '094 patent itself states that the '595 patent was "filed Jul. 18, 1995." '094

patent, col. 1, l. 7. Technically this statement is correct because the '336 application that matured into the '595 patent was filed on July 18, 1995. However, that national stage filing date in this instance is not the effective U.S. filing date for this PCT application under 35 U.S.C. § 363. Because this court finds the '094 patent is at least entitled to a priority date of November 26, 1993, which is prior to June 9, 1994, this court reverses the district court's invalidity determination.

IV.

In sum, this court reverses the district court's finding that the '094 patent is invalid under 35 U.S.C. § 102(b) over WO94/13102. This court does not address the district court's Order of Claim Construction dated March 22, 2004. IO "take[s] modest issue here with the claim construction orders" and argues "that the district court misconstrued three claim terms." However, the invalidity determination presently before this court does not require resolution of any issues of claim interpretation. Thus, this court declines to address the claim construction issues that are not properly before this court at this time. *See Heil Co. v. McNeilus Truck and Mfg., Inc.*, 111 F.3d 141 (Fed. Cir. 1997) (refusing to hear untimely claim construction issues). The case is remanded to the district court for further proceedings consistent with this opinion.

COSTS

Each party shall bear its own costs.

REVERSED

APPENDIX B

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

BROADCAST INNOVATION L.L.C. and IO RESEARCH PTY LTD., Plaintiffs, vs. CHARTER COMMUNICATIONS INC., Defendant.	Case No. 03-WY-2223-AJ (BNB)

ORDER GRANTING DEFENDANT'S MOTION FOR SUMMARY JUDGMENT OF INVALIDITY OF U.S. PATENT 6,076,094

(Filed Aug. 4, 2004)

This is a case of patent infringement in which plaintiffs Broadcast Innovation L.L.C. (hereinafter "Broadcast") and IO Research Pty Ltd. (hereinafter "IO Research") allege that Charter Communications Inc. (hereinafter "Charter") infringed directly or indirectly claims 8, 15, 22, 29 of United States Patent No. 6,076,094 (hereinafter "'094 Patent"), The above-entitled matter comes before the Court on Motion and Memorandum in Support of the Motion of Defendant Charter Communications Inc. for Summary Judgment of Invalidity of U.S. Patent 6,076,094. The Court, having reviewed the motion, the materials filed in support thereof and in opposition thereto, and being fully advised in the premises, FINDS and ORDERS as follows:

FACTUAL AND PROCEDURAL BACKGROUND

On November 9, 2001, in a case related to the present action entitled *Broadcast Innovation L.L.C. v. Echostar Communication Corp.*, Civil Action No. 01-[WY]-2201-AJ (BNB) (hereinafter "*Echostar* case"), Broadcast filed suit against Echostar Communications Corporation (hereinafter "Echostar") alleging the infringement of two separate U.S. Patents – the '094 Patent and United States Patent No. 4,993,066 (hereinafter "'066 Patent"). Briefly, the '094 Patent claims an invention relating to broadcasting data to a television set using a carrier signal, and the '066 Patent claims a method for television scrambling.

On January 6, 2003, Magistrate Judge Boyd N. Boland issued an Order on Issues of Claim Construction in the *Echostar* case interpreting claims 8, 15, 22, and 29 of the '094 Patent, and claims 9, 10, and 11 of the '066 Patent. Thereafter, this Court denied Echostar's appeal in upholding the Magistrate Judge's construction of the '094 Patent, and, additionally, this Court granted Echostar's appeal and concurrently granted a judgment of invalidity as to the '066 Patent. As a result, the '094 Patent remains the point of interest.

On November 7, 2003, Broadcast filed its Original Complaint in the above-entitled matter demanding, *inter alia*, judgment that one or more claims of the '094 Patent have been infringed, either literally and/or under the doctrine of equivalents, by Comcast Corporation (hereinafter "Comcast") and Charter and/or by others to whose infringement Comcast and Charter have contributed and/or by others whose infringement has been induced by Comcast and Charter.

On March 25, 2004, the Court entered a Stipulated Order Regarding Claim Construction Procedure mandating as follows:

> The Magistrate Judge's January 6, 2003 *Order on Issues of Claim Construction,* relative to the '094 Patent, and the Court's *Order* dated August 29, 2003 in the case entitled *Broadcast Innovation L.L.C. v. Echostar Communication Corp.,* Civil Action No. 01-[WY]-2201-AJ (BNB) (the "Collateral Litigation") (orders collectively the "Collateral Litigation Claim Construction Orders") will apply in this case.
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> There will be no additional claim construction hearing in this case, and the parties will not reargue the claim construction issues raised in the Collateral Litigation Claim Construction Orders. However, the defendants adopt and preserve all claim construction arguments and objections to the Collateral Litigation Claim Construction Orders made by defendants in the Collateral Litigation, and the plaintiff adopts and preserves all claim construction arguments and objections to the Collateral Litigation Claim Construction Orders made by the plaintiff in the Collateral Litigation, and the arguments and objections of each side will be preserved for appeal in this case.
>
> Charter Communications Inc. may file supplemental arguments and objections, if any, directed to the Collateral Litigation Claim Construction Orders on or before May 1, 2004 (to be filed in a document separate from any motions for summary judgment), and Comcast Corporation may join in those supplemental objections. Broadcast Innovation L.L.C. will have ten days from the filing of any supplemental arguments

and objections to file a response. Any such supplemental arguments and objections, and any arguments made in response, will be preserved for appeal in this case and shall not require a hearing or a further order from this Court.

This order will not bar any party from raising an argument on summary judgment that may require Claim terms to be construed, so long as the argument does not contradict the Collateral Litigation Claim Construction Orders.

On April 2, 2004, the Court granted Broadcast's Unopposed Motion for Leave to Join Party Plaintiff IO Research. Concurrently on April 2, 2004, Broadcast filed its First Amended Original Complaint joining IO Research in its request for judgment.[1]

On April 12 and 13, 2004, Comcast and Charter, respectively, filed Answers to Broadcast and IO Research's First Amended Complaint including, therewith, individual

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[1] The First Amended Original Complain provides in relevant part:

7. On June 13, 2000, U.S. Patent No. 6,076094 ("the '094 patent") was duly and legally issued for a "Distributed Database System and Database Received Therefor." A copy of the '094 patent is attached as *Exhibit A* and is made a part hereof. IO RESEARCH is the owner and assignor of the '094 patent and by exclusive license, BROADCAST has the right to enforce the '094 patent in the United States and collect damages for all relevant times. This First Amended Original Complaint joins IO RESEARCH as a voluntary party Plaintiff because, by virtue of the exclusive license agreement with BROADCAST, IO RESEARCH maintains a financial interest in any recovery in this litigation, and because the outcome here may have implications for IO RESEARCH's efforts to enforce the '094 patent's foreign counterparts.

counterclaims for declaratory judgment of both invalidity and non-infringement of the '094 Patent.

On May 5, 2004, Charter filed its Motion and Memorandum In Support of the Motion of Defendant Charter Communications Inc. for Summary Judgment of Invalidity of U.S. Patent 6,076,094. Therein, Charter first contends that the '094 Patent is invalid as a matter of law because its earliest priority date – July 18, 1995 – falls more than one year after the publication of prior patents regarding the same technology. Secondly, Charter included the following provision at the conclusion of its Motion:

> **V. THE '094 PATENT IS INVALID FOR THE ADDITIONAL REASONS STATED IN SEPARATE MOTIONS IN WHICH CHARTER JOINS, FILED BY OTHER PARTIES**
>
> Charter hereby joins in and adopts COMCAST CORPORATION'S MOTION FOR SUMMARY JUDGMENT OF INVALIDITY OF UNITED STATES PATENT NO. 6,076,094 (dated May 3, 2004); DIRECTV'S, HUGHES', AND THOMSON'S MOTION FOR SUMMARY JUDGMENT OF INVALIDITY OF THE ASSERTED CLAIMS OF UNITED STATES PATENT NO. 6,076,094 (date April 4, 2003, in Civil Action No. 01-WY-2201-AJ (BNB)); DEFENDANT ECHOSTAR COMMUNICATION CORPORATION'S MOTION FOR SUMMARY JUDGMENT OF INVALIDITY OF UNITED STATES PATENT NO. 6,076,094 (dated April 4, 2003, in Civil Action No. 01-WY-2201-AJ (BNB)); DIRECTV AND HUGHES' REPLY IN SUPPORT OF THEIR MOTION FOR SUMMARY JUDGMENT OF INVALIDITY OF THE ASSERTED CLAIMS OF UNITED STATES PATENT NO. 6,076,094 ([d]ated June 4, 2003, in

> Civil Action no. 01-WY-2201-AJ (BNB)); THOMSON'S REPLY TO PLAINTIFF BROADCAST INNOVATION, L.L.C.'S OPPOSITION TO DEFENDANTS' MOTION FOR SUMMARY JUDGMENT OF INVALIDITY OF THE ASSERTED CLAIMS OF UNITED STATES PATENT NO. 6,076,094 (dated June 4, 2003, in Civil Action No. 01-WY-2201-AJ (BNB)); and DEFENDANT ECHOSTAR COMMUNICATIONS CORPORATION'S REPLY BRIEF IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT OF INVALIDITY OF UNITED STATES PATENT NO. 6,076,094 (dated June 4, 2003, in Civil Action No. 01-WY-2201-AJ (BNB)).

Accordingly, and in addition to its own Motion in the present action, Charter has joined in and adopted a host of pleadings filed both in the present action and in the *Echostar* case.

On May 24, 2004, Broadcast and IO Research filed Plaintiffs' Opposition to the Defendants' Motions for Summary Judgment of Invalidity of U.S. Patent Number 6,076,094. Therein, Broadcast and IO Research contend that the '094 Patent properly claims priority to the international PCT application, and that there is no evidence in the record to support a finding of invalidity as to the '094 Patent by combining any of the prior art references.

STANDARD OF REVIEW

Summary judgment is proper when there is no genuine issue of material fact to be resolved at trial. Fed. R. Civ. P. 56(c); *Nebraska v. Wyoming,* 507 U.S. 584, 590 (1993). Thus, a district court may grant summary judgment "if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits,

if any, show that there is no genuine issue of material fact and that the moving party is entitled to a judgment as a matter of law." Fed. R. Civ. P. 56(c); *Nelson v. Geringer,* 295 F.3d 1082, 1086 (10th Cir. 2002). "An issue of material fact is genuine where a reasonable jury could return a verdict for the party opposing summary judgment." *Seymore v. Shawver & Sons, Inc.,* 111 F.3d 794, 797 (10th Cir. 1997).

In applying these standards this Court will view the evidence in the light most favorable to the party opposing summary judgment. *Jenkins v. Wood,* 81 F.3d 988, 990 (10th Cir. 1996). The movant bears the initial burden of demonstrating the absence of evidence to support the non-moving party's claims. *Celotex Corp. v. Catrett,* 477 U.S. 311, 325 (1986). When the non-moving party bears the burden of proof at trial, the burden then shifts to it to demonstrate the existence of an essential element of its case. *Id.* To carry this burden, the non-moving party must go beyond the pleadings and designate specific facts to show there is a genuine issue for trial. *Anderson v. Liberty Lobby, Inc.,* 477 U.S. 242, 251 (1986); *Ford v. West,* 222 F.3d 767, 774 (10th Cir. 2000). The mere existence of a scintilla of evidence in support of the non-moving party's position is insufficient to create a "genuine" issue of disputed fact. *Lawmaster v. Ward,* 125 F.3d 1341, 1347 (10th Cir. 1997).

The party asserting invalidity must overcome the presumption of patent validity with facts supporting such a conclusion by clear and convincing evidence. 35 U.S.C. § 285; *Dana Corp. v. American Axle & Manufacturing Inc.* 279 F.3d 1372, 1375 (Fed. Cir. 2002).

ANALYSIS

I. Summary Judgment

During the fall of 1992 and the winter of 1993, IO Research filed with the Australian Patent Office a series of patent applications. On November 20, 1993, those patent applications were consolidated into a single omnibus patent application (hereinafter "1993 PCT Application").[2] Pursuant to the Patent Cooperation Treaty of 1970, 35 U.S.C. §§ 351-76, the 1993 PCT Application was filed singly and separately, designating the United States of America as a country within which a patent would be sought. Charter represents to the Court, and neither Broadcast nor IO Research dispute, that the 1993 PCT Application was published on June 9, 1994.

On July 18, 1995, IO Research filed U.S. Patent Application No. 08/436,336 (hereinafter "1995 Application"). On April 7, 1998, the 1995 Application matured into U.S. Patent No. 5,737,595 (hereinafter "'595 Patent"). The '595 Patent is not at issue in this litigation, though reference thereto is helpful for the purpose of factual context.

On April 3, 1998, four days before the issuance of the '595 Patent, IO Research filed a continuation application[3] relating to the '595 Patent assigned U.S. Application No.

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[2] According to Charter, it is undisputed that the 1993 PCT Application described the same inventions that are claimed in the '094 Patent.

[3] "A continuation application is one that is filed during the pendency of an application previously filed by the same inventor, called the original or 'parent' application, and which discloses and claims only subject matter disclosed and claimed in the original or parent application." *Reynolds Metals co. v. Continental Group Inc.*, 525 F. Supp. 950, 970 (N.D. Ill. 1981).

09/054,896 (hereinafter "Continuation Application"). On December 7, 1999, the Continuation Application matured into U.S. Patent No. 5,999,934 (hereinafter "'934 Patent"). Similarly, the '934 Patent is not at issue in this litigation but rather remains helpful for the purpose of factual context.

During the prosecution of the Continuation Application, IO Research claimed the benefit of the priority date of the 1993 PCT Application by amending the first sentence of the specification, in compliance with 37 C.F.R. § 1.78(a)(2)(i), to read, "This Application is a continuation . . . of Application Serial No. 08/436,336 filed on July 18, 1995, Patent Number: 5,737,595, which is a [35 U.S.C. § 371] of PCT/AU93/00607, filed November 26, 1993." As a result of this amendment, the first sentence of the '934 Patent's specification reads:

> This application is a continuation of application Ser. No. 08/436,336 filed on July 18, 1995, U.S. Pat. No. 5,737,595, which is a [35 U.S.C. § 371] of PCT/AU93/00607 filed November 26, 1993.

On May 20, 1999, IO Research filed a divisional application[4] assigned U.S. Application No. 09/316,164

[4] "A later application for a distinct or independent invention, carved out of a pending application and disclosing and claiming only subject matter disclosed in the earlier or parent application, is known as a divisional application or 'division.'" MANUAL OF PATENT EXAMINING PROCEDURE § 201.06 (5th ed. 1983). "A divisional patent application is used when the disclosure of the parent application supports an invention not covered by the original patent claims. A divisional application is also used when two distinct inventions are initially claimed in an application and the Patent Office requires restriction between them, and the applicant elects which invention to prosecute in that application and the other invention becomes the subject of the divisional

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(hereinafter "'094 Patent Application"). Within the oath portion of the '094 Patent Application,[5] IO Research claimed foreign priority benefits under 35 U.S.C. § 119 of a host of Australian patent applications including, and limited to, Australian Patent Application No, PL 6080 filed Nov. 27, 1992, Australian Patent Application No. PM 0549, filed Aug. 13, 1993, Australian Patent Application No. PM 0742, filed Aug. 20, 1993, Australian Patent Application No. PM 1570, filed Sep. 30, 1993, Australian Patent Application No. PM 1571, filed Sep. 30, 1993, and Australian Patent Application No. PM 1621 filed Oct. 1, 1993. Within that oath, IO Research did not claim any priority benefits under 35 U.S.C. § 120.

Alongside the '094 Patent Application, and similar to the oath of that application, IO Research's May 21, 1999 transmittal letter to the Patent and Trademark Office with regard to the '094 Patent Application provided:

> As required under 35 U.S.C. [§] 120, the Specification of the attached application includes the following specific reference to the earlier filed parent application:
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> > "This Application is a divisional of co-pending U.S. Patent Application Serial No. 09/054,896 filed April 3, 1998, which is a continuation of U.S. Patent Application Serial No. 08/436,336 filed June 18, 1995, which issued on April 7, 1998 as U.S. Patent

application." Ernest Bainbridge Lipscomb III, WALKER ON PATENTS § 9:16 (3d ed. 1985).

[5] Federal law provides that a patent application shall include "an oath by the applicant as prescribed by section 115 of this title." 35 U.S.C. § 111(a)(2)(C).

> No. 5,737,595, which claims priority from PCT Application no. PCT/AU93/00604 filed Nov. 26, 1993, which claims priority from Australian Patent Application No. PL 6080 filed Nov. 27, 1992, and from Australian Patent Application No. PM 0549, filed Aug. 13, 1993, and from Australian Patent Application No. PM 0742, filed Aug. 20, 1993, and from Australian Patent Application No. PM 1570, filed Sep. 30, 1993, and from Australian Patent Application No. PM 1571, filed Sep. 30, 1993, and from Australian Patent Application No. PM 1621 filed Oct. 1, 1993.
>
> Upon the issuance of the parent application, Applicants will amend the specification to include the U.S. Patent No. of the parent.

In a subsequent Office Action Summary, the Patent Examiner reminded applicant IO Research that "[a]n application in which the benefits of an earlier application are desired must contain a specific reference to the prior application(s) in the first sentence of the specification (37 C.F.R. [§] 1.78)." In response to this Office Action Summary, IO Research filed on January 31, 2000 a Reply to Office Action Mailed September 20, 1999 seeking to amend the specification of the 1094 Patent Application as follows:

> After the title and before "Technical Field" please insert: This application is a divisional of U.S. Patent Application Serial No. 09/054,896, filed April 3, 1998, now patented as U.S. Patent No. 5,999,934, which is a continuation of U.S. Patent Application Serial No. 08/436,336, filed July 18, 1995, now patented as U.S. Patent No. 5,737,595.

Neither this amendment, nor any subsequent amendment, to the '094 Patent Application added any reference of the 1993 PCT Application to the specification language. As a result, the earliest priority date referenced in the first sentence of the '094 Patent specification is the July 18, 1995 date of the 1995 Application, which is more than one year after the June 9, 1994 publication date of the 1993 PCT Application.

Federal law provides that "[a] person shall be entitled to a patent unless ... the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States. . . . " 35 U.S.C. § 102(b). It is not disputed that the June 9, 1994 publication of the 1993 PCT Application satisfies the relevant portion of the foregoing statute. It is disputed, however, whether the '094 Patent Application properly claimed priority to the 1993 PCT Application. With respect to the priority dates of patent applications in relation to earlier filed foreign patent applications, federal law continues:

> An application for patent for an invention disclosed in the manner provided by the first paragraph of section 112 of this title in an application previously filed in the United States, or as provided by section 363 of this title, which is filed by an inventor or inventors named in the previously filed application shall have the same effect, as to such invention, as though filed on the date of the prior application, if filed before the patenting or abandonment of or termination of proceedings on the first application, or on an application similarly entitled to the benefit of the filing date of the first application and if it contains or is

> amended to contain a specific reference to the earlier filed application. *No application shall be entitled to the benefit of an earlier filed application under this section unless an amendment containing the specific reference to the earlier filed application is submitted at such time during the pendency of the application as required by the Director.* The Director may consider the failure to submit such an amendment within that time period as a waiver of any benefits under this section. The Director may establish procedures, including the payment of a surcharge, to accept an unintentionally delayed submission of an amendment under this section.

35 U.S.C. § 120 (emphasis added).[6] Within the context of this statute and under the authority delegated pursuant to 35 U.S.C. § 2(b)(2),[7] the Patent and Trademark Office

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[6] 35 U.S.C. § 363 provides, "An international application designating the United States shall have the effect, from its international filing date under article 11 of the treaty, of a national application for patent regularly filed in the Patent and Trademark Office except as otherwise provided in section 102(e) of this title."

[7] 35 U.S.C. § 2(b)(2) provides:

> (b) Specific powers. The [Patent and Trademark] Office –
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> * * *
>
> (2) may establish regulations, not inconsistent with law, which –
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> (A) shall govern the conduct of proceedings in the Office;
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> (B) shall be made in accordance with section 553 of title 5, United States Code;
>
> (C) shall facilitate and expedite the processing of patent applications, particularly those which can be filed, stored, processed, searched, and retrieved electronically, subject to the provisions of section 122 relating to the confidential status of applications;

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promulgated the following regulation in force at the May 20, 1999 date of the '094 Patent Application.:

> Except for a continued prosecution application filed under §1.53(d), any nonprovisional application claiming the benefit of one or more prior filed copending nonprovisional applications or international applications designating the United States of America *must contain or be amended to contain to the first sentence of the specification* following the title a reference to each such prior application, identifying it by application number (consisting of the series code and serial number) or international application number and international filing date and indicating the relationship of the applications. The request for a continued prosecution application under §1.53(d) is the specific reference required by

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> (D) may govern the recognition and conduct of agents, attorneys, or other persons representing applicants or other parties before the Office, and may require them, before being recognized as representatives of applicant or other persons, to show that they are of good moral character and reputation and are possessed of the necessary qualifications to render to applicants or other persons valuable service, advice, and assistance in the presentation or prosecution of their applications or other business before the office;
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> (E) shall recognize the public interest in continuing to safeguard broad access to the United States patent-system through the reduced fee structure for small entities under section 41(h)(1) of this title; and
>
> (F) provide for the development of a performance-based process that includes quantitative and qualitative measures and standards for evaluating cost-effectiveness and is consistent with the principles of impartiality and competitiveness;
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> * * *

35 U.S.C. § 2(b)(2)(A)-(F).

> 35 U.S.C. [§] 120 to the prior application, The identification of an application by application number under this section is the specific reference required by 35 U.S.C. [§] 120 to every application assigned that application number. Cross-references to other related applications may be made when appropriate (see §1.14(a)).

37 C.F.R. § 1.78(a)(2)(i) (1997) (emphasis added) (hereinafter "1997 Regulation").[8]

Charter contends that the '094 Patent is invalid under 35 U.S.C. § 102(b) because the patent benefits, at the earliest, from the July 18, 1995 date of the 1995 Application, and because that July 18, 1995 priority date is more than one year after the June 9,1994 foreign publication date of the 1993 PCT Application. Specifically, Charter continues that IO Research, in applying for the '094

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[8] This is the relevant language of 37 C.F.R. § 1.78(a)(2)(I) as of May 20, 1999, the filing date of the '094 Patent Application. The language of that same regulation has since been amended numerous times with its most current version omitting the "first sentence of the specification" requirement and appearing as such:

> Except for a continued prosecution application filed under § 1.53(d), any nonprovisional application or international application designating the United States of America claiming the benefit of one or more prior-filed copending nonprovisional applications or international applications designating the United States of America must contain or be amended to contain a reference to each such prior-filed application, identifying it by applications number (consisting of the series code and serial number) or international application number and international filing date and indicating the relationship of the applications. Cross references to other related applications may be made when appropriate (see § 1.14).

37 C.F.R. § 1.78(a)(2)(I) (2003) (hereinafter "2003 Regulation").

Patent, neglected to make specific reference within the first sentence of the patent specification to the 1993 PCT Application, and, instead, made specific reference within the first sentence of the specification to, at the earliest, the July 18, 1995 date of the 1995 Application.

Broadcast and IO Research first counter that federal statutory language trumps any inconsistent federal regulatory language, and the fact that the '094 Patent Application complies with the language of 35 U.S.C. § 120, by way of 35 U.S.C. § 111, with regard to the imposition of the November 20, 1993 priority date secures patent validity. Secondly, Broadcast and IO Research counter that assuming the federal regulations govern the priority date procedure, IO Research did, in fact, comply with the terms of the regulations insofar as the '094 Patent Application contained specific references to the 1993 PCT Application in the declaration/oath, the transmittal letter, and the Patent and Trademark Office's own data sheet.

A. Validity of the 1997 Regulation

It is axiomatic that a federal agency, such as the Patent and Trademark Office, cannot promulgate regulations lest those regulations are consistent with statutory provisions enacted by Congress. *See Nagahi v. Immigration & Naturalization Service*, 219 F.3d 1166, 1169 (10th Cir. 2000) (an agency cannot create regulations which are beyond the scope of its delegated authority); *Spears v. Merit Systems Protection Board*, 766 F.2d 520, 523 (Fed. Cir. 1985).

> When faced with a challenged to the validity of a regulation, we apply the analytical framework provided by the United States Supreme

> Court in *Chevron*. As an initial matter; we decide "whether Congress has directly spoken to the precise question at issue." [*Chevron U.S.A. Inc. v. Natural Resources Defense Council Inc.*, 467 U.S. 837, 842 (1984)]. If the statute is clear and unambiguous "that is the end of the matter, for the court, as well as the agency, must give effect to the unambiguously expressed intent of Congress." *K-Mart Corp. v. Cartier Inc.*, 486 U.S. 281, 291 (1988) (quoting *Board of Governors of the Federal Reserve System v. Dimension Financial Corp.*, 474 U.S. 361, 368 (1986) (quoting *Chevron*, 467 U.S. at 842-43)). If, however, the statute does not speak directly to the question at issue or is ambiguous, the court, giving considerable weight to the agency's interpretation, must decide if the agency's answer is "a permissible construction of the statute." *Chevron*, 467 U.S. at 843.

Sundance Associates Inc. v Reno, 139 F.3d 804, 807-08 (10th Cir. 1998). The view of the agency charged with administering the statute is entitled considerable deference; to sustain it, we need not find that it is the only permissible construction but only that the agency's is a sufficiently rational one to preclude a court from substituting its judgment for that of the agency. *Chemical Manufacturer's Association v. Natural Resources Defense Council Inc.*, 470 U.S. 116, 125 (1985). In short, "The agency's regulations must be upheld unless they are arbitrary, capricious, or manifestly contrary – to the statute." *Home Mortgage Bank v. Ryan*, 986 F.2d 372, 376 (10th Cir. 1993).

As mentioned, Congress, pursuant to the language of 35 U.S.C. § 2(b)(2), has delegated to the Patent and Trademark Office the power to promulgate certain rules and regulations. "By this grant of power, we understand

Congress to have 'delegated plenary authority over [Patent and Trademark Office] practice' . . . to the Office." *Stevens v. Tamai*, 366 F.3d 1325, 1333 (Fed. Cir. 2004).

As noted above, the 1997 Regulation, the federal regulation in place at the time of the '094 Patent Application and thusly the governing provision, mandated, "[A]ny provisional application *claiming the benefit* of one or more *prior filed* . . . international applications designating the United States of America must contain or be amended to contain in the first sentence of the specification following the title a reference to each such prior application, identifying it by application number (consisting of the series code and serial number) or international application number and international filing date and indicating the relationship of the applications." 37 C.F.I. § 1.78(a)(2)(i) (1997). Such regulatory language is, in effect, more narrow than that of the relevant statutory provision, 35 U.S.C. § 120, in that it requires not only specific reference to the earlier filed application, but it also requires said reference fall within the "first sentence of the specification." It is this Court's opinion that such narrow language is not inconsistent with the relevant statutory provision enacted by Congress, that such narrow language is not beyond the scope of the authority delegated to the Patent and Trademark Office, and that such narrow language is not arbitrary, capricious, or manifestly contrary to the terms of the federal statute. First, the additional requirement that the patent applicant include all priority dates within a particular section of the patent application seems no more unjust than requiring the payment of a specific application

fee.[1] Just as the Patent and Trademark Office is best suited to determine an appropriate filing fee, a fee which no doubt changes over time, it is similarly well-suited to determine the most appropriate means of specifying a patent's priority date. Secondly, it is this very expertise to which Congress defers when it insists that the present application make specific reference to the priority application "as required by the Director." Indeed, at the relevant time the Director of the Patent and Trademark Office, by way of the administrative regulations, required that the '094 Patent Application contain a reference to the priority application, in this case the 1993 PCT Application, within the first sentence of the specification. Accordingly, the Court finds and concludes that the regulation in place at the time of the '094 Patent Application is not inconsistent with the relevant statutory provision, and is therefore proper and valid as a matter of law.

1. Compliance with 35 U.S.C. § 120

In defense of patent validity, Broadcast and IO Research first counter that the '094 Patent is entitled to the benefit of the filing date of the 1993 PCT Application because the '094 Patent Application complied with the terms of 35 U.S.C. § 120 with respect to that priority date,

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[1] Federal law provides, "The application must be accompanied by the fee required by law. The fee and oath may be submitted after the specification and any required drawing are submitted, within. such period and under such conditions, including the payment of a surcharge, as may be prescribed by the Director." 35 U.S.C. § 111(a)(3). In turn, a pertinent regulation provides, for example, that small entities pay $375.00 in basic filing fees and other than small entities pay $750.00 in basic filing fees for an original patent application. *See* 37 C.F.R. § 1.16.

and because the Patent and Trademark Office, by way of regulations, cannot deny a patent applicant its rights under federal law as the agency has done through the more demanding language of the 1997 Regulation. Specifically, Broadcast and IO Research cite to language from two Federal Circuit cases in support of their defense. Broadcast and IO Research first state, "The plain and unambiguous meaning of [35 U.S.C. § 120] is that any application fulfilling the requirements therein 'shall have the same effect' as if filed on the date of the application upon which it claims priority." *Transco Products Inc. v. Performance Contracting Inc.*, 38 F.3d 551, 556-57 (Fed. Cir. 1994). Broadcast and IO Research also insist that neither the Patent and Trademark Office nor the Courts can deny rights granted under the mandatory, rather than permissive, language of 35 U.S.C. § 120. *Racing Strollers Inc. v. Tri Industries Inc.*, 878 F.2d 1418, 1421 (Fed. Cir. 1989).

The Court disagrees with the defense. First, neither referenced decision addresses either the language of the, relevant administrative regulation or its intersection with the federal statute. Moreover, neither case deals with an application error similar to the one before this Court. True, the quoted language seems on point, however to take the language out of its true context and place it within a context more befitting of the stated defense, as Broadcast and IO Research would have us do, would, in effect, trivialize an otherwise valid administrative regulation. In other words, the cited cases do not, in this Court's reading, stand for the proposition that compliance with 35 U.S.C. § 120 provides the requested priority date even if that same patent application fails to comply with the terms of an analogous, though somewhat more demanding, administrative regulation.

Secondly, the Court finds that compliance with statutory language does not excuse noncompliance with related, validly promulgated regulation language. To find otherwise would undermine directly the very force and effect of 35 U.S.C. § 2(b)(2) wherein Congress delegated rulemaking authority to the Patent and Trademark Office. Moreover, it would amount to a certain kind of irony were the Court to undercut the power of one statute, namely 35 U.S.C. § 2(b)(2), to give a certain supremacy to another, namely 35 U.S.C. § 120.

Third, and finally, the Court finds that the '094 Patent Application does not actually comply with the language of 35 U.S.C. § 120 with respect to its claimed priority date. The statute reads, in pertinent part, "No application shall be entitled to the benefit of an earlier filed application under this section unless an amendment containing the specific reference to the earlier filed application is submitted at such time during the pendency of the application *as required by the Director.*" 35 U.S.C. § 120 (emphasis added). In this case not only has the Director required, by way of the 1997 Regulation, that the '094 Patent Application contain in the first sentence of the specification a reference the each priority application, but the Director has also required, by way of the Patent Examiner's Office Action Summary, that in order to claim priority the '094 Patent Application, again, "must contain a specific reference to the prior application(s) in the first sentence of the specification (37 C.F.R. [§] 1.78)." As discussed, the '094 Patent Application failed in that regard, and, as such, the patent applicants failed to perform "as required by the Director" in violation of 35 U.S.C. § 120.

B. Compliance with the 1997 Regulation

Charter contends that IO Research failed to comply with the 1997 Regulation, the governing regulation, in claiming a priority date relating back to the 1993 PCT Application, and, as a result, the '094 Patent is invalid under 35 U.S.C. § 102(b).

Broadcast and IO Research first counter that the '094 Patent Application is both in compliance with the current regulations and it is consistent with the goals, if not the terms, of the then-governing regulation insofar as the application informs the Patent and Trademark Office that the applicant claims the benefit of the 1993 PCT Application date. Broadcast and IO Research also counter that invalidating the '094 Patent under 35 U.S.C. § 102(b) deprives the patent applicant "of a substantial property right" by exploiting the trivial and ignoring that which is vital and important.

First, the Court finds it irrelevant that the '094 Patent Application complies with the terms of the 2003 Regulation. Quite simply, the '094 Patent Application did not comply with the explicit "first sentence of the specification" requirement of the 1997 Regulation. The fact that the regulation was thereafter amended to omit that requirement, and the fact that the '094 Patent Application happened, then, to comply with the amended regulation, does not excuse the applicant's neglect; the Court cannot reward the patent applicant for such rule-making luck. Moreover, Broadcast and IO Research have not presented, and the Court is unable to find, any case law wherein a patent applicant's failure to abide by a past-governing regulation is excused by virtue of the patent applicant's

happenstance compliance with the terms of the newly amended regulation.

Second, as a corollary to the above, the Court finds it irrelevant that the '094 Patent Application comports with the goals, as opposed to the terms, of the 1997 Regulation. The Director of the Patent and Trademark Office found it necessary to require that patent applications make specific reference to all priority dates within the first sentence of the specification. As a result, and in the absence of any case law to the contrary, the Court is unwilling to excuse the '094 Patent Application's failure to comply with such a requirement. As alluded to above, to hold otherwise would directly undermine the very statutory authority delegated to the Patent and Trademark Office pursuant to 35 U.S.C. § 2(b)(2).

Third, and finally, the Court finds that invalidating the '094 Patent neither deprives Broadcast and IO Research of a substantial property right nor does it exploit the trivial and ignore that which is vital and important. Opposing summary judgment, Broadcast and IO Research cite again to the *Racing Strollers Inc.* case wherein the Federal Circuit quoted from Judge O'Connell's dissent in *In re Application of Campbell* stating:

> The Patent Office has here deprived appellant of a substantial property right by a process of reasoning which exploits the trivial and ignores that which is vital and important. The Supreme Court has recently reiterated the long established rule which governs here, namely, that "A party seeking a right under the patent statutes may avail himself of all their provisions, and the courts may not deny him the benefit of a single one.

> These are questions not of natural but of purely statutory right."

878 F.2d at 1421 (quoting 212 F.2d 606, 612 (C.C.P.A. 1954) (O'Connell, J., dissenting)) (citations omitted). As noted, however the *Racing Stroller Inc.* case neither addresses the language of the relevant administrative regulation nor does it concern an application error similar to the one at bar. On the contrary, the *Racing Stroller Inc.* case dealt exclusively with the distinction between "design" and "utility" patents and the priority dates relating thereto. True, our's is a priority date case, although we are confronted with a different issue – the force and effect of administrative regulations and failure to abide thereby. As such, the *Racing Stroller Inc.* language is not binding.

That being the case, however, the Court still finds that patent invalidation neither deprives Broadcast and IO Research of a substantial property right nor does it exploit the trivial and ignore that which is vital and important. First, Broadcast and IO Research have not presented, nor has the Court been able to find, any precedent establishing a property right in an invalid patent. It is counterintuitive to claim a substantial right in a property, in this case the '094 Patent, that does not actually exist in light of this Court's invalidity conclusion.

Second, the Court will not declare trivial the violation of a validly promulgated administrative regulation. As discussed, the Director of the Patent and Trademark Office found it necessary, if not vital and important, to require that all patent applications claiming priority dates makes specific reference within the first sentence of the specification. Again, it would undermine the Director's proper authority were this Court to find and conclude that the

'094 Patent Application's failure to comply with said requirement was likewise neither vital nor important. We will not engage in administrative second-guessing in this context.

As a result of the foregoing, the Court finds and concludes that there is clear and convincing evidence adequate to overcome the presumption of patent validity, and there are no genuine issues of material fact precluding summary judgment as to the '094 Patent's invalidity. The July 18, 1995 priority date claimed by the '094 Patent Application pursuant to the terms of the 1997 Regulation and as required by the Director is more than one year after the June 9, 1994 foreign publication date of the 1993 PCT Application, an application, it is not disputed, describing the same invention as that embodied in the '094 Patent, in direct violation of 35 U.S.C. § 102(b).

II. Certificate of Correction

To remedy an otherwise improper patent application, a patent applicant is entitled to apply for a certificate of correction. In that vein, federal law provides in relevant part:

> Whenever a mistake of a clerical or typographical nature, or of minor character, which was not the fault of the Patent and Trademark Office, appears in a patent and a showing has been made that such mistake occurred in good faith, the Director may, upon payment of the required fee, issue a certificate of correction, if the correction does not involve such changes in the patent as would constitute new matter or would require reexamination. Such patent, together with the certificate, shall have the same effect and operation

> in law on the trial of actions for causes thereafter arising as if the same had been originally issued in such corrected form.

35 U.S.C. § 255. Broadcast and IO Research remain free to file a request for a certificate of correction in order to correct the failure to make reference to prior patent applications, however that certificate will have only prospective application. *See Adrain v. Hypertech Inc.*, 2001 WL 740542 (D. Utah 2001); *see also Southwest Software Inc. v. Harlequin Incorporated*, 226 F.3d 1280 (Fed. Cir. 2000) (holding that the operative language of 35 U.S.C. § 254, the same operative language found in 35 U.S.C. § 255, requires that a certificate of correction is only effective for causes of action arising after it is issued).

Accordingly, and for the foregoing reasons, it is hereby,

ORDERED that the Motion and Memorandum In Support of the Motion of Defendant Charter Communications Inc. for Summary Judgment of Invalidity of U.S. Patent 6,076,094 shall be, and is, **GRANTED**.

ORDERED that Comcast Corporation's Motion for Summary Judgment of Invalidity of United States Patent No. 6,076,094, with which defendant Charter Communications Inc. joins, shall be, and is, **DENIED** as moot.

Dated this 3d day of ~~July~~ August, 2004.

/s/ Alan B. Johnson
ALAN B. JOHNSON
UNITED STATES DISTRICT
JUDGE SITTING BY
DESIGNATION

APPENDIX C

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

05-1008

BROADCAST INNOVATION, L.L.C.
and IO RESEARCH PTY LTD.,

Plaintiffs-Appellants,

v.

CHARTER COMMUNICATIONS, INC.

Defendant-Appellee,

and

COMCAST CORPORATION,

Defendant.

ORDER

A combined petition for panel rehearing and for rehearing en banc having been filed by the APPELLEE, and a response thereto having been invited by the court and filed by the APPELLANTS, and the petition for rehearing having been referred to the panel that heard the appeal, and thereafter the petition for rehearing en banc and response having been referred to the circuit judges who are in regular active service,

UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for panel rehearing be, and the same hereby is, DENIED and it is further

ORDERED that the petition for rehearing en banc be, and the same hereby is, DENIED.

The mandate of the court will issue on November 15, 2005.

FOR THE COURT,

/s/ Jan Horbaly
Jan Horbaly
Clerk

Dated: November 8, 2005

cc: Jonathan T. Suder
Beth S. Brinkmann

BROADCAST INNOVATION V CHARTER COMM, 05-1008 (DCT – 03-CV-2223)

* *
* Note: Pursuant to Fed. Cir. R. 47.6, this *
* order is not citable as precedent. It is a *
* public record. *
* *

APPENDIX D

[LOGO] **UNITED STATES DEPARTMENT OF COMMERCE**
Patent and Trademark Office
Address: COMMISSIONER OF PATENTS AND TRADEMARKS
Washington, D.C. 20231

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
09/316,164	05-21/99	COHEN	5102-P-006

LM02/0920

NELSON D NOLTE
WALLENSTEIN & WAGNER LTD
311 SOUTH WACKER DRIVE
53RD FLOOR
CHICAGO IL 60606-6622

EXAMINER
HO. R

ART UNIT	PAPER NUMBER
2771	

DATE MAILED:

09/20/99

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

Office Action Summary	**Application No.** 09/316,614	**Applicant(s)** COHEN ET AL.	
	Examiner Ruay L. Ho	**Group Art Unit** 2771	

– **The MAILING DATE of this communication appears on the cover sheet beneath the correspondence address –**

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, such period shall, by default, expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).

Status

☒ Responsive to communication(s) filed on 8-3-99 PRELIMINARY AMENDMENT.

☐ This action is **FINAL**.

☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits

is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 1 1; 453 O.G. 213.

Disposition of Claims

☒ Claim(s) 39,48-81 is/are pending in the application.

Of the above claim(s) _____ is/are withdrawn from consideration.

☒ Claim(s) 39,48-53 is/are allowed.

☒ Claim(s) 54-55, 61-62, 68-69, 75-76 is/are rejected.

☒ Claim(s) 56-60, 63-67, 70-74, 77-81 is/are objected to.

☐ Claim(s) _____ are subject to restriction or election requirement.

Application Papers

☒ See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.

☐ The proposed drawing correction, filed on _____ is ☐ approved ☐ disapproved.

☐ The drawing(s) filed on _____ is/are objected to by the Examiner.

☐ The specification is objected to by the Examiner.

☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. § 119(a)-(d)

☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 1 19(a)-(d).

☐ All ☐ Some* ☐ None of the CERTIFIED copies of the priority documents have been received.

☐ received in Application No. (Series Code/Serial Number) _____

☐ received in this national stage application from the International Bureau (PCT Rule 1 7.2(a)).

*Certified copies not received: _____

Attachment(s)

☒ Information Disclosure Statement(s), PTO-1449, Paper No(s). 3, 4

☐ Interview Summary, PTO-413

☐ Notice of Reference(s) Cited, PTO-892

☐ Notice of Informal Patent Application, PTO-152

☒ Notice of Draftsperson's Patent Drawing Review, PTO-948

☐ Other _____

Office Action Summary

DETAILED ACTION

Priority

1. An application in which the benefits of an earlier application are desired must contain a specific reference to the prior application(s) in the first sentence of the specification (37 CFR 1.78).

Claim Objections

2. Claim 55 is objected to because of the following informalities: 'the display on the television comprise' is grammatically incorrect. Appropriate correction is required.

Claim Rejections - 35 USC § 102

3. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

4. Claims 54-55, 61-62, 68-69, and 75-76 are rejected under 35 U.S.C. 102(b) as being anticipated by WO 91/05436.

Regarding claim 54:

Each and every element of claim 54 are disclosed by WO 91/05436, note: the claimed 'a method for broadcasting data to a television set using a carrier signal such as a television or commercial radio carrier signal' is shown in page 1, paragraph 1;

the claimed 'constructing a data stream from the records of a transmission database' is shown in page 1, paragraph 3;

the claimed 'the database having individual first records, each first record comprising one of a selection of formats' is shown in page 1, paragraph 5;

the claimed 'at least one of the first records comprising executable program code or an object' is shown in page 2, paragraph 3;

the claimed 'broadcasting the data stream with the carrier signal' is shown in page 1, paragraph 1.

Regarding claim 55:

The claimed 'at least one first record comprises stream data and the display on the television comprise an audio presentation' is shown in page 1, paragraphs 1 and 3.

Regarding claim 61:

The claimed 'receiving a carrier signal and from it decoding a data stream to a user's database' is shown in page 4, paragraph 2;

claim 61 is rejected for the similar rationale given for claim 54.

Regarding claim 62:

Claim 62 is rejected for the similar rationale given for claim 55.

Regarding claim 68:

Claim 68 is rejected for the similar rationale given for claim 61.

Regarding claim 69:

Claim 69 is rejected for the similar rationale given for claim 55.

Regarding claim 75:

Claim 75 is rejected for the similar rationale given for claim 54.

Regarding claim 76:

Claim 76 is rejected for the similar rationale given for claim 55.

5. Claims 39, 48-53 are allowed.

6. Claims 56-60, 63-67, 70-74, and 77-81 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

7. The following is a statement of reasons for the indication of allowable subject matter:

In claim 39, the claimed 'each first record comprising one of a selection of formats, at least one of the first records comprising executable program code or an object' and 'the user's database having second records comprising at least some of the first records, the second records comprising one of a selection of formats and at least one record comprising executable program code or an object broadcast from the first records' are not disclosed, taught or suggested by any prior art. Claims 48-53 present further limitations.

In claim 56, the claimed 'at least one first record comprises index data and the display on the television comprises menus based on the index data' is not disclosed, taught or suggested by any prior art.

In claim 57, the claimed 'supplying a user's database with requested records, the requested records being the result of a return link established between a microprocessor which operates with the user's database and the transmission database, the return link established at least

in part via a telephone network' is not disclosed, taught or suggested by any prior art. Claim 58 presents further limitation.

In claim 59, the claimed 'the data steam comprises one or more data objects represented by information encoded in a first object and packet based protocol' is not disclosed, taught or suggested by any prior art. Claim 60 presents further limitation.

Claims 63-67 are objected to for the similar rationale given for claims 56-60.

Claims 70-74 are objected to for the similar rationale given for claims 56-60.

Claims 77-81 are objected to for the similar rationale given for claims 56-60.

8. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Ruay L. Ho whose telephone number is (703) 305-3834. The examiner can normally be reached on Monday – Friday from 10 am to 5 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Thomas Black, can be reached on (703) 305-9707. The fax phone number for this Group is (703) 308-9051 or (703) 308-5403.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed

to the Group receptionist whose telephone number is (703) 305-3800.

/s/ Ruay Lian Ho
Ruay Lian Ho
Primary Examiner
Art Unit 2771

APPENDIX E

Attorney Docket No. 5102 P 006

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In Re U.S. Patent Application Of:	
Thomas A. Cohen and Robert J. Chatfield	
Application No. 09/316,164	Group Art Unit: 2771
Filed: May 21, 1999	Examiner: R. Ho
For: "Distributed Database System and Receiver Therefor"	

Box Fee Amendment
Assistant Commissioner For Patents
Washington, D.C. 20231

REPLY TO OFFICE ACTION MAILED SEPTEMBER 20, 1999

Dear Sir:

In response to the Office Action mailed September 20, 1999, Applicants submit the following Amendments and Remarks. This Reply is being submitted with a one month extension of time, thereby extending the time to respond to January 20, 2000. This response is being mailed (January 20, 2000 and is therefore timely. Applicant respectfully requests the Examiner to reconsider the rejections made in the Office Action in view of the Amendments and Remarks made herein.

AMENDMENTS

Please amend the specification as follows:

After the title and before "Technical Field" please insert: – This application is a divisional of U.S. Patent Application Serial No. 09/054,896, filed April 3, 1998, now patented as U.S. Patent No. 5,999,934, which is a continuation of U.S. Patent Application Serial No. 08/436,336, filed July 18, 1995, now patented as U.S. Patent No 5,737,595 –

Please amend the claims as follows:

Claim 55, line 2, please delete "comprise" and insert therefor – comprises –

REMARKS

In the Application, claims 54-55, 61-62, 68-69 and 75-76 have been rejected as anticipated by International Patent Application WO 91/05436. Applicants respectfully traverse the Examiner's rejections for reasons detailed below. The Examiner has also noted that Applicants should add a reference to earlier filed applications and a grammatical error in claim 55. Applicants believe the amendments above correct these informalities. The Examiner has noted that claims 56-60, 63-67, 70-74 and 77-81 are allowable and that claims 39 and 48-53 have been allowed. Therefore, claims 54-55, 61-62, 68-69 and 75-76 are the only claims at issue in this response.

Rejections over International Patent Application No. WO 91/05436

The Examiner has rejected claims 54-55, 61-62, 68-69 and 75-76 as being anticipated by WO 91/05436 (the '436 application). Applicants respectfully traverse these rejection. Claims 54 and 75 each require, *inter alia*, "at least one of the first records comprising executable program code or an object." The Examiner's position is that the '436 application discloses this limitation at page 2, para. 3. However, Applicants submit that the cited paragraph does not disclose the limitation of "at least one of the first records comprising executable program code or an object." Although the cited paragraph does state that the "data . . . may be further acted upon by computer software within the personal computer so that logical decision and actions may be taken by the computer based on the contents of the recovered data" (see '436 application at page 2, para. 30), Applicants submit that the paragraph merely explains, as disclosed in the preferred embodiment of the '436 application at pages 9-11, the function disclosed in the application that many broadcast channels may be searched simultaneously and when selected data is found, the receiver will perform a function, such as further processing, display, or used for making logical decision "under the control of software codes stored in the memory." (See '436 application, page 6, final paragraph).

Nowhere in the '436 application is there a disclosure, nor even a suggestion, that the received data *itself* may be "executable program code or an object." As a result, Applicants submit that the subject matter of claims 54 and 75 is not disclosed, nor is it rendered obvious, by the disclosure of the '436 application.

Claims 55 and depends from claim 54 and, therefore, include the limitations of claim 54. As a result, claim 55 is patentable for the same reasons as claim 54. Claims 55 and 76 depend from claims 54 and 75, respectively, and therefore include the limitations of claims 54 and 75. As a result, claims 55 and 76 are patentable for the same reasons as claims 54 and 75.

Claims 61 and 68 each require the limitation of "at least one record comprising executable program code or an object." For the same reasons explicated with respect to claim 54, Applicants submit that the '436 application does not anticipate, nor render obvious, claims 61 or 68 because the '436 does not disclose, nor suggest, "at least one record comprising executable program code or an object." Claims 62 and 69 depend from claims 61 and 68, respectively, and therefore include the limitations of claims 61 and 69. As a result, claims 62 and 69 are patentable for the same reasons as claims 61 and 68.

Claim 61 similarly requires the limitation of "at least one record comprising executable program code or an object." For the same reasons explicated with respect to claims 54, Applicants submit that the '436 application does not anticipate, nor render obvious, claim 61 because the '436 does not disclose, nor suggest, "at least one record comprising executable program code or an object." Claim 62 depends from claim 61 and, therefore, include the limitations of claim 61. As a result, claim 62 is patentable for the same reasons as claim 61.

CONCLUSION

For the foregoing reasons, the Applicant respectfully submits that claims 54-55, 61-62, 68-69 and 75-76 are

patentable over the prior art of record, and are in condition for allowance. Accordingly, withdrawal of the rejections and allowance of the pending claims is respectfully requested.

Respectfully submitted,

/s/ Nelson D. Nolte

Nelson D. Nolte, Reg. No. 42,938
Wallenstein & Wagner, Ltd.
311 South Wacker Drive, 53rd Floor
Chicago, Illinois 60606-6604
(312) 554-3300
Attorney for Applicant

Date: January 20, 2000

CERTIFICATE OF MAILING

I hereby certify that this document is being deposited with the United States Postal Service as first class mail in an envelope addressed to: BOX FEE AMENDMENT, Assistant Commissioner for Patents, Washington, D.C. 20231, on January 20, 2000.

/s/ Nelson D. Nolte

(86692)

APPENDIX F

35 U.S.C. § 120 provides:

§ 120. Benefit of earlier filing date in the United States

An application for patent for an invention disclosed in the manner provided by the first paragraph of section 112 of this title in an application previously filed in the United States, or as provided by section 363 of this title, which is filed by an inventor or inventors named in the previously filed application shall have the same effect, as to such invention, as though filed on the date of the prior application, if filed before the patenting or abandonment of or termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application and if it contains or is amended to contain a specific reference to the earlier filed application. No application shall be entitled to the benefit of an earlier filed application under this section unless an amendment containing the specific reference to the earlier filed application is submitted at such time during the pendency of the application as required by the Director. The Director may consider the failure to submit such an amendment within that time period as a waiver of any benefit under this section. The Director may establish procedures, including the payment of a surcharge, to accept an unintentionally delayed submission of an amendment under this section.

---

35 U.S.C. § 120 (1999) provides:

§ 120. Benefit of earlier filing date in the United States

An application for patent for an invention disclosed in the manner provided by the first paragraph of section 112 of this title in an application previously filed in the United States, or as provided by section 363 of this title, which is filed by an inventor or inventors named in the previously filed application shall have the same effect, as to such invention, as though filed on the date of the prior application, if filed before the patenting or abandonment of or termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application and if it contains or is amended to contain a specific reference to the earlier filed application.

---

37 C.F.R. § 1.78 provides in part:

§ 1.78 Claiming benefit of earlier filing date and cross-references to other applications.

* * *

(a)(2)(i) Except for a continued prosecution application filed under Sec. 1.53(d), any nonprovisional application or international application designating the United States of America claiming the benefit of one or more prior-filed copending nonprovisional applications or international applications designating the United States of America must contain or be amended to contain a reference to each such prior-filed application, identifying it by application number (consisting of the series code and serial number) or international application number and international

filing date and indicating the relationship of the applications. Cross references to other related applications may be made when appropriate (see Sec. 1.14).

* * *

(iii) If the later-filed application is a nonprovisional application, the reference required by this paragraph must be included in an application data sheet (Sec. 1.76), or the specification must contain or be amended to contain such reference in the first sentence(s) following the title.

---

37 C.F.R. § 1.78 (July 1, 1999) provides in part:

Sec. 1.78 Claiming benefit of earlier filing date and cross-references to other applications.

* * *

(a)(2) Except for a continued prosecution application filed under Sec. 1.53(d), any nonprovisional application claiming the benefit of one or more prior filed copending nonprovisional applications or international applications designating the United States of America must contain or be amended to contain in the first sentence of the specification following the title a reference to each such prior application, identifying it by application number (consisting of the series code and serial number) or international application number and international filing date and indicating the relationship of the applications. The request for a continued prosecution application under Sec. 1.53(d) is the specific reference required by 35 U.S.C. 120 to the prior application. The identification of an application by application number under this section is the specific reference required by 35 U.S.C. 120 to every application

assigned that application number. Cross-references to other related applications may be made when appropriate (see Sec. 1.14(a)).

APPENDIX G

Pursuant to Rule 33(c) of the Rules of the Supreme Court, the patent documents are contained in a separately bound Supplemental Appendix, 57a-82a.